Austria .. Sch. 15	Indonesia .. Rp 2500	Portugal ... Esc 65
Bahrain .. Din 0.650	Italy ..... L 1100	S. Arabia .. Rls 6.00
Belgium ... BFr 35	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.50	Jordan ... Fils 500	Spain ..... Pta 95
Cyprus .. Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.00	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $85
France .. FFr 5.50	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,151 — Friday October 21 1983 — D 8523 B

Vital test for Europe's peace movement, Page 18

NEWS SUMMARY

GENERAL

Army takes power in Grenada

The army has taken power in the east Caribbean island of Grenada after shooting dead Premier Maurice Bishop and three members of his Cabinet.

Mr Bishop, 39, overthrew the right-wing leader Sir Eric Gairy in 1979. He was imprisoned last week after falling out with his pro-Moscow deputy Bernard Coard, but was freed on Wednesday by supporters. Soldiers opened fire on the crowd, recaptured Mr Bishop and shot him.

Army chief of staff Commander Hudson Austin said a revolutionary military council would run the island. A round-the-clock curfew has been imposed. Page 20

Extradition refused

Sri Lanka refused to extradite a Sri Lankan film producer to Britain to face charges of smuggling 164kg of cannabis. Manik Sandrasagara left Britain when he was released on bail of £20,000.

Death sentence

A Nigerian army lieutenant who killed a fellow officer while serving with the UN forces in Lebanon was sentenced to death by a court martial.

School heroin arrest

Rome police arrested three young men trying to sell 400 packets of heroin at $125 each to children outside a school after a tip-off from a boy's mother. Her son stabbed himself to frighten her into giving him $375 he owed the pushers.

Finland UN vote

Finland said it was now ready to vote at the UN for a ban on the first use of nuclear weapons – a policy the Soviet Union backs and the U.S. opposes.

Hong Kong hopes

Britain and China ended their fifth round of talks on the future of Hong Kong on a more optimistic note. Page 8

Nicaragua fighting

Nicaragua said 250 right-wing guerrillas seized two northern towns, killing 33 people including 26 civilians.

Walesa message

Lech Walesa, leader of the banned Polish trade union Solidarity, was quoted in a Norwegian newspaper as saying he could not come to Norway to accept the Nobel Peace Prize while his friends were jailed in Poland.

Soccer violence

An Argentine soccer fan was killed and five others were seriously injured after an attack by fans of a rival club who fired guns and threw petrol bombs.

Missile talks gloom

Moscow's chief delegate at U.S.–Soviet talks on limiting nuclear missile deployment in Europe said they had no prospect of success. In East Berlin, defence ministers of the Warsaw Pact met in special session.

Briefly . . .

Zimbabwe said school enrolment had increased from 800,000 to 2.5m since independence.

A quarter of Dutch trains were idle as railway workers protested at government cuts.

Main Paris postal sorting office was occupied by workers backing a six-week strike.

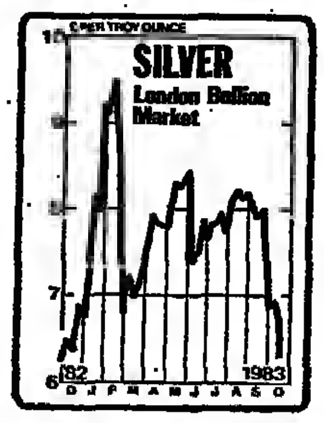
Punjab police arrested eight people and seized arms in raids on extremist hideouts.

BUSINESS

Nippon Electric in U.S. sales pact

● **NIPPON ELECTRIC, the Japanese computer and electronics company, has entered into a marketing and licensing pact with Honeywell of the U.S. The move is seen as an alliance against IBM's increasing domination of the large computer market. Page 20**

● **SILVER bullion price on the London market dropped to 632p (665p), a drop of more than 150p in the past month, largely reflecting speculative selling in New York where warehouse stocks are at record levels. Page 43**



● **DOLLAR improved to DM 2.5885 (DM 2.5855), SwFr 2.104 (SwFr 2.0985) and FFr 7.91 (FFr 7.905) but was lower at Y232.5 (Y232.8). Its Bank of England trade-weighted index was 125.7 (125.9). In New York it closed at DM 2.5827; SwFr 2.0980; FFr 7.8850 and Y231.87. Page 43**

● **STERLING closed down 20 points at $1.4985. It was also down at DM 3.88 (DM 3.8825), FFr 11.85 (FFr 11.86) and Y348.5 (Y349.5) but firmer at SwFr 3.155 (SwFr 3.1525). Its trade-weighted index was 83.3, unchanged from the previous close. In New York it closed at $1.5010. Page 43.**

● **LONDON: FT Industrial Ordinary index closed up 12.6 at 691, a four-month high. Government securities closed slightly higher. Report, Page 37; FT Share Information Service, Pages 38–39.**

● **WALL STREET: Dow Jones industrial average closed 4.77 up at 1,251.52. Report, Page 33; full share listings, Pages 34–37.**

● **GOLD lost $1.25 in London, closing at 393.125. In Frankfurt it closed at $393, down $1, and in Zurich it was also down $1 at $394.5. In New York the Comex October settlement was $393.8 ($393.1). Page 42.**

● **VANCOUVER** development corporation Daon has had its complex restructuring plan to reschedule its C$1.77bn of debts accepted by holders of series A and B preference shares.

● **MALAYSIA** is expected today to reduce next year's development expenditure by up to 25 per cent compared with this year's allocation of $4.5bn, in order to avoid aggravating its foreign debt. Feature, Page 8

● **HONG KONG'S** exports rose by a weighted average of 29 per cent in the third quarter according to provisional figures.

● **DOW CHEMICAL**, one of the biggest U.S. chemical companies, reported pre-tax income for the third quarter up from $27m to $118m. Page 21

● **J. S. SABA**, Swedish retail and wholesale trading group, reported an almost threefold increase in losses for the first eight months.

● **ITALIAN** state and private sector companies announced more than $160m in foreign orders. Page 9.

● **ASEAN**, Association of South-East Asian Nations, is expected to agree next month a legal framework for a series of joint private sector industrial ventures. Page 9

● **AUSTRALIA** become an oil exporter for the first time next month when Broken Hill Proprietary starts shipping crude oil to Hawaii. Page 8

Japan to boost growth and ease trade barriers

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

Japan will today unveil a package of economic measures aimed at boosting economic growth and opening up its domestic market to imports. A cut in the Bank of Japan's discount rate is also in prospect.

The package is designed to boost domestic economic growth by 0.4 per cent to a minimum rate of 3.4 per cent in the current fiscal year.

A cut in the discount rate, from 5.5 to 5.0 per cent, while not formally included in the package itself, because of the Bank of Japan's much-prized independence on monetary policy, will almost certainly be announced in the afternoon.

The programme is seen as fulfilling a pledge to reflate Japan's domestic economy made by Prime Minister Yasuhiro Nakasone at the Williamsburg economic summit at the end of May.

Its other main purpose is to ward off criticism from the U.S. and Western Europe about the increasingly serious overseas trade imbalance in favour of Japan.

A trade surplus of more than $35bn is being forecast for fiscal 1983. Much of this will have been earned at the expense of Japan's Western trade partners.

The main features of the package's domestic section are likely to be a Y1,200bn ($5.16bn) income-tax cut – much of which will not take effect until 1984 – and a promise to expand public-works spending by about Y1,880bn.

The Government also hopes to enlist private enterprise in its reflation programme. This would be done by relaxing zoning requirements in big cities in an effort to stimulate the construction industry.

The measures dealing with market access and import promotion will include a plan for a one-year acceleration of Japan's tariff-cutting obligations under the General Agreement on Tariffs and Trade (Gatt) and a list of about 45 items on which deeper tariff cuts will be made.

Another proposal will be to widen the scope of the generalised preference scheme (GSP) under which Japan allows tariff-free entry to manufactured products made in developing countries.

Measures to promote imports could include a new Y20bn government fund to provide cheap finance for manufactured imports.

So far as commercial import financing is concerned, the package will include plans to "study" the creation of a yen-denominated bankers' acceptance market in Tokyo.

The final section of the proposals, which will deal with the promotion of capital inflows to Japan, may reveal that the Government is planning to float "Nakasone bonds" (government bonds denominated in foreign currencies) in overseas markets.

Continued on Page 20

Lawson challenge over UK inflation forecasts

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE INFLATION rate in Britain is likely to continue to fall next year, Mr Nigel Lawson, the Chancellor of the Exchequer said last night.

Pessimism of forecasters had proved persistently wrong in the past, and he expected it to be wrong again next year, he told bankers and merchants at the Lord Mayor's dinner in London. "The fact is that prospects for inflation remain encouraging."

"Recent indicators, so far from pointing to higher figures through next year, suggest, if anything, a downward path."

Mr Lawson also gave a tough new emphasis to the Government's determination to get the inflation rate significantly below 5 per cent, and announced an important shift in the operation of monetary policy.

Two major independent forecasting organisations, the London Business School and the National Institute of Economic and Social Research, are both predicting some rise in the inflation rate next year, to between 6 and 7 per cent – a view shared by the Confederation of British Industry and by most City of London analysts.

Mr Lawson said: "It is perhaps puzzling that inflationary expectations should lag so far behind performance, and that those who have tried to talk them up in the past should wish to do so again."

He added: "Only two decades or so ago, an inflation rate of 5 per cent would have been considered too high. It is too high. The Government's ultimate objective is price stability."

Mr Lawson emphasised that the present Medium Term Financial Strategy (MTFS) for balanced reduction in monetary growth and government borrowing would broadly continue. This would, in turn, require strict control of government spending now and in future years.

However, he would introduce changes in the operation of monetary targets.

A new target is being considered alongside the three set up in the current version of the MTFS published in March.

The new target, Mo, consists mainly of the £11bn of notes and coin in circulation and is the narrowest definition of money. Unlike other measures of money it does not include deposits with clearing banks.

All the other three definitions of money for which a target is announced include money which earns interest. This has made them subject to distortions as financial behaviour changes.

Mr Lawson indicated that the narrower definitions of the money supply had become relatively more important in determining official policy towards money market interest rates and he suggested that this policy would continue.

"Narrow measures respond unambiguously to changes in short-term interest rates: with the broader measures, much depends on the structure of rates. Moreover, it was the surge in the narrow aggregates in 1977 which was followed by the surge in inflation in 1979."

Report, Page 11; Editorial comment, Page 18

GHH chairman plans to step down after MAN policy dispute

BY JONATHAN CARR IN BONN

DR MANFRED LENNINGS, one of West Germany's top industrialists, plans to step down shortly as head of the huge Gutehoffnungshütte (GHH) engineering group, following a policy dispute with key shareholders.

Dr Lennings, aged 49, has been chairman of the executive board at GHH since 1975 and was widely seen as a future president of the Federation of German Industry.

Although GHH is making no official statement, it is expected that the supervisory board will formally approve Dr Lennings' resignation at an extraordinary meeting on November 8.

It is understood that the man most likely to succeed him as chairman is Dr Klaus Götte, aged 51, formerly a manager at the Allianz insurance concern and the Flick industrial group.

In recent months a dispute has erupted over a plan pressed by Dr Lennings to put the stricken Maschinenfabrik Augsburg-Nürnberg (MAN), biggest member of the GHH group, on a sounder footing.

Last year MAN made an operating loss of DM 300m ($118m) and saw sales fall by nearly DM 1bn to DM 8.8bn – a major reason why GHH, which has annual sales of DM 15.7bn, was forced to cut its dividend.

Dr Lennings, who is already chairman of the MAN supervisory board, proposed that he be co-opted as head of the MAN managing board for a limited period to bring about policy changes.

It is understood that the plan ran into strong opposition among leading GHH shareholders, who include members of the GHH founding families and Regina Verwaltungsgesellschaft, a holding owned by insurance companies and Commerzbank.

Key shareholders proposed an alternative concept for MAN, but Dr Lennings was evidently convinced that his direct input was needed at the top, at least for a time.

Sources close to the group argue that only part of MAN's problems stem from general economic weakness, depressing demand for commercial vehicles and diesel engines, which are among the company's specialities.

It is noted thet big policy errors have been made, too, for example over business with Iraq, South America and Australia. Morale is also low as MAN struggles to cut its workforce to meet reduced demand.

Dr Lennings plan was for a "fresh breeze" at the top – and be believed in it enough to stand down as leader of the group when he failed to win approval.

US sees strong third-quarter rise in GNP

BY STEWART FLEMING IN WASHINGTON

REAL GROSS national product in the United States surged at a seasonally annual rate of 7.9 per cent in the third quarter, faster than most economists had been expecting.

A major factor behind the upswing was a strong recovery in inventory building.

Disposable income also grew strongly, suggesting that consumer spending in the fourth quarter will stay strong and fuel the continuing economic expansion.

The third-quarter figure was welcomed by Mr Paul Volcker, chairman of the U.S. Federal Reserve Board, who told the Congressional Joint Economic Committee that the U.S. was seeing "a lot of goods news" on the economic front.

"Growth has been more rapid than anticipated, and the price numbers have been better than anticipated," Mr Volcker said in committee hearings shortly after the release of the data by the Commerce Department.

But Mr Volcker again took the opportunity to warn about the dangers to a sustained economic recovery inherent in the huge federal budget deficits.

Siding firmly with Dr Martin Feldstein, the chairman of the President's Council of Economic Advisers, Mr Volcker emphasised that in his view "budget deficits (which) will remain exceptionally large into the indefinite future (are) a major factor propping up interest rates."

He said that there might already be signs of the private sector being "crowded out" of the financial markets by the repercussions of the high deficits – the housing sector for example.

He warned that "it is an illusion to believe that the deficit can be handled by (economic) growth alone."

The outlook for inflation, he said, has been "better than we have experienced in a decade or more." Mr Volcker added that he hoped that in 1984 consumer prices could rise at the low end of the 4½-5 per cent range which the Fed has previously projected.

But he continued to warn of the dangers of inflation being re-ignited and suggested that inflationary expectations had not been eradicated.

He indicated that he was expect-

Continued on Page 20

Airbus production likely to be cut

BY DAVID MARSH IN PARIS

AIRBUS INDUSTRIE, the European airliner consortium, looks likely to cut output further next year at its assembly plant at Toulouse, France, in the face of the continuing international slump in demand for widebodied aircraft.

The cut – perhaps to as few as 40 aircraft next year from 50 or fewer this year – appears almost inevitable because of increasing worries among the three major Airbus partners in France, West Germany and the UK about the financial risks of accumulating growing stocks of unsold aircraft.

The management at Airbus Industrie would like to stick to a productioo rate of 50 to 55 aircraft a year to back up the consortium's aggressive marketing strategy.

Marketing executives believe that demand for the A-300 and A-310 widebodied airliners will start to pick up again over the next few months. They argue that too large a cut in output could expose Airbus to the risk of having insufficient aircraft in stock to meet an eventual recovery in sales.

Some of Airbus Industrie's major shareholders – Aerospatiale of France, Messerschmitt-Bölkow-Blohm of West Germany and British Aerospace – have a more pessimistic view. All three companies have already made substantial accounting provisions to cover risks arising from unsold Airbuses.

At present Airbus has 12 completed aircraft without a firm buyer. These cost tens of thousands of dollars a month in carrying charges.

M Jean Martre, the new chairman of Aerospatiale, recently said that no firm upturn in international civil airliner orders can be expected before the end of oext year at the earliest. He warned that Airbus output would have to be cut further unless new orders came in.

In order to increase its ability to boost production again if the market should suddenly revive, the con-

Continued on Page 20

Air-India to re-equip, Page 9

An ICI harvest on Soviet farmland

By Tom Sealy and Anthony Robinson in London

THE SOVIET UNION has signed an agreement with Imperial Chemical Industries under which ICI will attempt to demonstrate how Western techniques can boost wheat yields in the Soviet Union.

The aim is to increase output to around the top West European level of 10 tonnes a hectare. Current Soviet output averages between 2 and 4 tonnes a hectare.

Mr Leonid Kostandov, a Soviet deputy Prime Minister, said in London that the British chemicals group would provide the technology, fertiliser and equipment for three years of trials on 2,000 hectares of farmland. If necessary, it would also supply the seed.

It is understood that ICI specialists would have to oversee the project if it were to succeed.

While final details, including the question of ICI staff access, have still to be worked out, Moscow wants to have the first plots planted with winter wheat by next autumn.

"If all goes well, we could be talking in the future of millions of hectares, not thousands," Mr Kostandov said.

ICI described the agreement as "a challenge for Western farming techniques."

There appear to be some doubts about the possibility of transferring Western practice and techniques to the Soviet Union.

The trials are to be conducted on four 500-hectare plots scattered around the Soviet Union. One plot will be in a sandy, water logged region north of Moscow and a second in the richer clay soils south of the capital.

The two other plots will be in two of the richest farming areas: near Kiev in the Ukraine, and around Krasnodar in the northern Caucasus.

ICI already has a long-term co-operation agreement with the Soviet Union involving the sale of agricultural and other chemicals worth about £25m ($37.6m) annually.

For the last two years, it has also been operating a pilot scheme to raise wheat yields in Bulgaria, and its agricultural chemicals are widely sold throughout the Comecon area.

Mr Kostandov, the highest-ranking Soviet official to visit the UK for several years, was invited to London by ICI.

The Soviet Union stopped publishing its grain output data after the disastrous harvest in 1981.

CONTENTS

Setback at polls for French left wing

By Paul Betts in Paris

FRANCE'S main Communist and Socialist union confederations have suffered a severe setback in nationwide elections to appoint new representatives to tocal social security councils.

It follows recent defeats in several local elections and is a further expression of the declining popularity of the Government.

Although the Left-wing parties and the two principal unions bad sought to play down the political ebaracter of the social security elections, they were none the less regarded in France as an important poltical test.

For the first time in any election, the powerful pro-Communist CGT eonfederation dropped below 30 per cent, polling only 28 per cent of the votes.

The pro-Socialist CFDT union fell to 18.4 per cent and was overtaken as the second main tabour confederation by the Force Ouvriere (FO), the reformist btue-collar union which has seen its popularity rise in recent months.

The FO polled 25 per cent of the votes, while both the CGC and CFTC confederations, which represent salaried workers and managers, also made important advances, polling respectively 16 per eent and 12 per cent of the votes.

Between them, these unions which bave repeatedly criticised the Socialist Government's polieies, ganied more than 50 per cent of the votes

Although just over half the 28.7m voters turned out at the polls on Wednesday, the figure was judged relatively high for this kind of etectoral contest.

The setback for the two big left-wing unions could pnt further pressure on their leaders to harden their position towards the Government whose policies they have so far supported.

Comecon meeting marked by tough talking

BY LESLIE COLITT IN EAST BERLIN

COMECON Prime Ministers meeting in East Berlin have completed preparations for a long-delayed summit of Communist party leaders, Mr Nikolai Tichonov, the Soviet Premier, said yesterday. He spoke of a "forthcoming consultation" but did not indicate when it would be held.

The summit proposal was first broached in early 1981 by the then President, the late Mr Leonid Brezhnev. It bas repeatedly been put off because of difficulties in fixing an agenda, reflecting the diverging interests of the Soviet Union, with its abundant energy and raw materials, and those of the six small East European Comecon countries which are far less well endowed.

East European economic experts in East Berlin believe the summit is unlikely to take plaee this year, pointing ont that the term forthcoming" has been used several timea before. They say a Warsaw Pact summit would take priority if the Geneva missile reduction talks fail and the U.S. medium-range missiles are deployed in Western Europe.

WARSAW PACT defence ministers began an extraordinary meeting in East Berlin yesterday to discuss measures to be taken if Nato deploys new U.S. missiles in Western Europe, writes Leslie Colitt. The previously unannounced meeting was chaired by General Heinz Hoffman, East Germany'a Defence Minister, and included Marshal Viktor Kulikov, the commander of Warsaw Pact forces and Marshal Dmitri Ustinov, the Soviet Defence Minister.

Soviet generals have said that if Nato proceeds with its plan te station 572 Pershing 2 and cruise missiles in Western Europe, the Warsaw Pact will retaliate by installing longer-range missiles in East Germany, Czechoslovakia, and that the U.S. will be confronted with new Soviet missiles which could reach its territory in less than 10 minutes.

Mr Tickonov'a announcement followed a barbed address at the East Berlin meeting by Mr Constantin Dascalescu, Romania'a Prime Minister. Bucharest wanted a Comecon summit held as soon as possible, be said, adding that if it had taken place earlier a "series of shortcomings" in Comecon's work could have been avoided.

Differences between Romania and the Soviet Union have been a chief stumbling block to holding the summit. The two sides are said to have disagreed both on the terms of expected Romanian investments in the Soviet extractive industries and the supplies of oil, gas and raw materials which Romania would receive.

Mr Dascalescu's remarks were edited out of the version of his speech published in the East German Press, as was nearly all other criticism, including that from Mr Tickonov who had chided the East Europeans for delivering obsolescent and poor quality goods to the Soviet Union.

One tong-time East European Comecon specialist summed up the back-biting atmosphere within Comecon by noting that each member is devoted to "milking the others as best it can."

A key element in the three-day meeting which ended yesterday was approval of further methods to boost Comecon'a agricultural output which Mr Tickonov said was of "strategic" importance. In 1965, agricultural products made up 6.8 per cent of Comecon exports and 9.8 per cent of imports. By 1980, the figures were 4.4 per cent of exports and 10.5 per cent respectively.

Mr Grisha Filipov, the Prime Minister of Bulgaria, reminded the Soviet Union that if it wanted the East Europeans to deliver more food then improved "atimulation" — that is higher prices — would have to be paid. Mr Filipov also went to the core of the second main issue: Soviet energy and raw materials deliveries. In return for joint investments from Eastern Europe in these sectors, Moscow will have to guarantee "exact amonnts" of oil, gas and raw materials, "as early as possible." he said.

Gen Wojciech Jaruzelski, the Polish leader, warned the others that his country's "bitter experience" had shown how dangerous it was to have "excessive economic relations" with the West. However Mr Gvorgy Lazar, Hungary's Prime Minister, said Bndapest wonld seek to expand trade with the "capitalist industrial states."

Mr Vyacheslav Sitshov was chosen to be the new secretary of Comecon, reptacing Mr Nikolai Fadeyev, who is retiring.

Bonn tries to steal march in defence debate

BY JAMES BUCHAN IN BONN

THE BONN Defenee Ministry yesterday launched an offensive to recapture the high ground in the pubiic debate over security with a lengthy criticism of the political and military aims of the Soviet Union.

The publication of the 1983 "White Book" on security, the first since Chancellor Helmut Kohl'a Government came to power a year ago, is clearly designed to coincide with a week of protest staged by epponents of the deployment of U.S. medium-range nnclear missiles in West Germany at the end of the year.

It differs from its predecessors under the former Social Democrat-Liberal government in its concentration on the Soviet political threat to West Germany—above all through its already installed medium-range nuclear missiles, notably the SS-20.

While recounting in some detail the increased superiority of Warsaw Pact forces in Europe in men, tank strength and artillery, the White Book excludes the possibility of war. "However, the growing military superiority of the Warsaw Pact increases its means to put political pressure on Western Europe it says.

In terms considered relatively strong for the West German debate, Herr Manfred Woerner, the Defence Minister, said that it was not simply a matter of weapons, but "the power and expansion policy of totalitarian systems."

Although the report deals exensively with arms control and co-operation with the East, the accent is very much on the "re-establishment of balance," above all for political reasons. Herr Woerner said that Soviet developments in short- and medium-range missiles, without corresponding Western deployment, could put Western defence credibility seriously in question."

The peace movement, which plans a blockade of the Defence Ministry today, bitterly attacked the White Book yesterday as a justification of new U.S. medium-range missiles as well as of the new strategies currently being discussed in Nato, of strengthening and modernising forces in Europe for more flexible defence.

However, the White Book sticks firmly to the old but politically unavoidable concept of "forward defence," whereby every inch of West German territory must be defended. It also keeps silent on the problems of the Bundeswehr, which faces a serious decline in recruitment and strength.

Strike wave feared in Netherlands

By Walter Ellis in Amsterdam

THE THREAT of widespread industrial action in the Netherlands over proposed cuts in public sector pay and social welfare benefits grew yesterday. This followed an angry exchange of views by government and trade union leaders about the reasons for a breakdown of talks aimed at finding a compromise.

As a central feature of its policy of greatly reducing the size of the budget deficit, the Government plans to cut public sector wages by 3.5 per cent from next January 1. It intends simultaneously to decrease most welfare payments by the same margin.

Mr Ruud Lubbers, the Dutch Prime Minister, yesterday accused the FNV, largest of Holland's trade union federations, of withdrawing from this week's talks and threatening industrial action in spite of an undertaking to look for a way out by negotiation.

This, said Mr Wim Kok, the FNV leader, was "a gross distortion of the facts, unworthy of the Premier." Mr Lubbers had given the union to understand that while the main thrust of the Government's policies would not be changed there was room for discussion of individual proposals. "But Lubbers has not said where the possible room for compromise exists."

Greater flexibility

A leading official for the FNV added yesterday that if the Government did not show greater flexibility, he was sure that public sector workers at least would be willing to strike in defence of their interests.

Meanwhile, Mr Piet van den Berg, official spokesman for the Dutch Central Planning Bureau, has said in a magazine interview this week that the opposition Labour Party's recent plans for pumping fresh money into the economy would, in the long run, yield more favourable results than the programme ef cuts put forward by the governing coalition ef Christian Democrats and Liberals.

The Planning Bureau is a highly influential body, which reports annually to the Government. Its chairman, Professor C. A. van den Beld, told a meeting of Dutch top management in the Hague en Wednesday that the slight recovery in the economy now beginning to make itself felt was nothing to do with government policies.

"The reduced tendency to save has meant that the reduction in consumer spending has been less sharp than it might otherwise have been,' he said, and further help was being provided by the recovery in the U.S.

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Europe Parliament seeks to force progress at summit

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Parliament is shaping up for a major confrontation which could disrupt the EEC's already tronbled finances unless member governments make real progress in reshaping the Community at their summit in Athens.

The Parliament's basic atrategy is being written by its budget committee which will seek approval at the plenary session in Strasbourg next week for some crucial amendments to the draft 1984 budget which has been submitted by the Council of Ministers.

The committee has adopted three recommendations this week which, if adopted, will cause serious concern in national capitals. One is that the 1.2bn European Currency Units (£850m) earmarked for offsetting British and West German payments to the EEC budget in 1983 should be placed in a reserve from which they cannot be released without parliamentary approval.

The committee also wants to put in reserve 5 per cent or ECU 850m of the ECU 16.5bn allocated by the Council for Common Agricultural Policy spending.

Finally, by adding to the Council's spending proposals for regional, social, industrial and development policies, the committee is proposing to spend all but ECU 8m ef the money legally available to the Community next year under the so-called 1 per cent VAT ceiling.

The committee will decide in Strasbourg on Monday the precise terms which would release the blocked moneys. It will either say that their release will depend on the "conceptions" adopted by the heads of government in Athens or the "results" of the summit.

British Conservatives on the budget committee have supported this approach because it would affect both the CAP and British budget refunds. But their 63-strong European Democratic Group will not support the committee's recommendations unless the Parliament is looking for "conceptions" from Athens rather than "results."

The summit is supposed to arrive at a package of decisions reforming the CAP, solving the British budget problem and raising the ceiling on the EEC's budget revenues. The budget committee's strategy is to exploit the Parliament's single most important power over the budget to force some progress out of the summit.

However, the Council is bound at its meeting in November to challenge the Parliament on all three amendments. It has never accepted the Parliament's right to put farm spending into a special reserve and it will argue that the budget rules limit the amount of money the Parliament can add to the budget to a little over ECU 300m rather than the ECU 550.4m extra the committee wants to spend.

Greek VAT delay likely

BY OUR BRUSSELS CORRESPONDENT

GREECE looks likely to win a two-year postponement of the deadline for introducing value added tax to which it was committed when it joined the EEC in January 1981.

Under its Treaty of Accession, Greece should have a full VAT system in operation by the beginning of next year but it has requested a delay for "technical reasons." The European Commission has now decided to urge other member states to allow a January 1, 1986 date

Greece currently employs a complex web of indirect taxes and a ehange to VAT is expected to cause some upheavals. The postponement carries the date of introduction safely past the next legislative elections which are due in 1985.

In the meantime, Greece will continue to pay into the EEC budget on a basis of its relative Gross Domestic Product rather than the VAT basket of goods and services which determines other member states' contributions.

According to the Commission, Greek contributions will be Ecu 236m (£136m) less than they would otherwise have been over the next two years. This advantage will be taken into account when determining any special payments to be paid to Athens in response to its request of March 1982 for special treatment.

Public protest planned over Basque murder

BY DAVID WHITE IN MADRID

LEADERS OF Spanish political parties, unions and employers' bodies plan to head a joint demonstration here tonight against Eta, the Basque terrorist organisation, in an atmosphere of indignation and tension following the murder of a kidnapped army officer.

Eta's Politico-Militar faction has claimed responsibility for shooting Capt Alberto Martin on Tuesday after holding him for almost two weeks. It implied it had done so because of Spanish television's refusal to broadcast an Eta communique until the hostage was released.

The military chiefs of staff were called in for consultations with Sr Narcis Serra, the Defence Minister, after the body was discovered. It was the first time Eta had kidnapped an army officer.

The Government, while deploring the killing, has reiterated its determination not to yield to blackmail or pressure from the terrorist organisation.

The extreme right-wing daily newspaper, El Alcazar, yesterday vented its anger on Spain's democratic leaders, describing Eta as the instrumental arm of the marxist revolution that is closing in on Spain."

The authorities have denied any connection between the murder of Capt Martin and the alleged attempt by four Spanish policemen to kidnap one of Eta Politico-Militar's leaders at Hendaye, in the French Basque country, on Tuesday. The unarmed squad was detained by French police after what is officially claimed by Spain to have been an accidental encounter with Sr Jose Maria Larretxea, the alleged Eta leader.

The incident has further irritated Spain's troubled relations with France over the presence of Basque militants north of the border.

Argentina bomb team 'got past Gibraltar defences'

BY OUR MADRID CORRESPONDENT

THE ARGENTINIAN sabotage squad which is now known to have been plotting a raid against Gibraltar at the height of the Falklands war managed to make several incursions past British defences while preparing the operation, a Spanish magazine claimed yesterday.

The weekly Cambio 16 cited a confidential government report and said that the four men, all attached to the Argentinian Navy, were caught within bours of launching their attack.

Madrid has confirmed that a group of Argentinians was intercepted by Spanish police near the Gibraltar border and expelled from the country.

The magazine alleged that the "suicide squad" initially aimed to blow up a destroyer and a support vessel in Gibraltar harbour. These ships had however been replaced by a frigate, HMS Ariadne, and a sea-going tug, it said.

The men were reported to have obtained four magnetic mines through the army and naval attaches of the Argentinian embassy in Madrid. Equipment including oxygen cylinders and an inflatable dinghy were found in a car they had rented, according to the report.

Spanish police had been looking for two suspicious Argentinians for a fortnight, the magazine said. It said the squad flew into Madrid on May 8 last year — within days of the sinking of the General Belgrano by the British Falklands Task force — and was arrested on May 31.

DOUBTS HAUNT COMMISSION'S ECONOMIC REPORT

Shadow over EEC recovery hopes

BY JOHN WYLES IN BRUSSELS

AS AN economic convoy, European Community countries appear now to be heading broadly in the same direction although there are still wide gaps in inflation rales, budget deficits and unemployment rates.

The extent to which governments have coalesced around tight fiscal and monetary policies is noted with satisfaction by the European Commission in its annual report on the Community economy. Memories are still fresh in Brussels of the rather fundamental differences of approach in 1981-82 which pitted President Mitterrand's France, supported by Denmark and Ireland, against Britain, West Germany and the Netherlands.

The French camp argued then unsuccessfully for a coordinated reflation among EEC countries. Rejection at EEC level did not deter Paris from a go-it-alone approach which through currency realignments has led to a 26.5 per cent devaluation of the franc against the D-mark by March of this year.

Britain and West Germany, feeling themselves the guardians of fiscal and monetary rectitude, have watched with satisfaction as France has begun to embrare austerity policies designed to cut inflation and peg back a runaway balance of payments deficit.

Indeed, both countries have the best opportunities in the Community to take advantage of the strong U.S. recovery and a 3.5 per cent growth in world trade predicted by the Commission next year. As the accompanying table shows, Germany haa heen much the best performer since 1981 according to the six main economic indicators. But the UK has performed impressively in dragging its inflation rate down below the Community average. It will also achieve the highest 1983 growth rate in the EEC, which should be hroadly matched in 1984.

The Commission's report, however, is haunted by doubts as to whether the EEC economy is sufficiently robust to sustain a genuine economic recovery. Greece, Italy and Ireland are still lagging seriously behind in getting public spending and inflation under control.

Job vacancies may be slightly increasing, hut only, it seems, in Germany, the Netherlanda, Belgium and the UK. The recovery across the Community is mostly consumption led, although construction has also played a part.

The second phase of the recovery ought to be marked by a recovery in investment and falling interest rates, hut the message of the Commission'a report is that EEC governments may not yet have created the conditions for the former while U.S. final and monetary policies may hlock the latter.

The Commission counsels against any assumption that the strong U.S. recovery will necessarily drag the Community up to a higher growth level. Every 5 per cent increase in the EEC's $50bn a year exports to the U.S. would yield a 0.1 per cent rise in gross domestic product while the dollar's appreciation could also boost EEC exports to third countries.

But the expansionary opportunities for the 10 are limited by the relative weakness of the yen "which means that the European competitivity gains overall bave been much more limited than the dollar-ECU comparison might suggest," says the Commission.

High interest rates are limiting import capacities in the Third World while U.S. interest rates and the strong dollar are having a negative impact on financial conditions in Europe.

In trying to answer the question whether the EEC economy is now moving towards a fundamental structural improvement, the Commission remains uncertain. Progress in redncing inflation is undeniable and so too is the adjustment made to the energy crisis.

Energy demand has fallen sharply and advances have been made in its efficient use so that a 1 per cent increase in output no longer implies a 1 per cent rise in energy consumption hut rather 0.65 per cent. But the strength of the dollar has kept energy import costs rising with the result that the Ten's net import bill in energy products was 3.8 per cent of gdp in 1982 as against 2.5 per cent in 1978.

Furthermore, Europe continues to lag hehind in the development of industrial technologies. The Commission's studies bave confirmed that the Community's "traditionally very strong position" in the equipment goods sector is deteriorating. Its export/import ratio in this sector has declined from 3.4 in 1963 to 2.5 in 1973 to below 2 in 1981.

The Japanese ratio bas risen from 2.2 in 1963 to 9.7 in 1981 while the U.S.'s decline from 3.9 in 1963 to 1.3 in 1973 appears to have been arrested. Germany's the EEC's principal produrer, has been worst affected.

Manufacturing productivity in the Community, meanwhile, is growing at little more than balf of its 1960-80 rate of 4 per rent per annum. Tha UK, Belgium and Denmark have registered some "striking increases" in average labour productivity performance, says the Commission.

"However, this has so far more reflected cuts in employment levels in sectors or enterprises which used to be overmanned, rather than growth in high productivity enterprises."

MAIN ECONOMIC AGGREGATES IN EEC COUNTRIES, 1981 AND 1984*

		GDP vol growth	GDP price deflator	Annual inc compensation per employee	Current acent balance of payments % GDP	Govt net borrowing % GDP	Unemployment
Belgium	1981	−1.1	5.2	7.4	−4.2	−12.6	10.7
	84	0.6	6.3	7.7	−1.5	−11.1	15.3
Denmark	81	0.1	10.8	10.2	−3.1	−7.0	8.3
	84	1.2	5.2	5.5	−1.3	−7.8	11.8
W. Germany	81	0.2	4.0	5.3	−1.0	−3.9	4.7
	84	2.1	3.0	3.5	0.9	−2.1	8.7
Greece	81	−0.7	19.7	27.1	−0.2	−10.1	4.1
	84	1.5	17.9	18.5	−5.5	−6.3	8.7
France	81	0.2	11.9	14.5	−1.4	−1.8	7.8
	84	0.4	7.3	8.2	−1.2	−3.2	9.7
Ireland	81	1.1	17.7	18.5	−13.1	−15.8	10.2
	84	1.8	8.2	8.9	−0.6	−11.8	16.6
Italy	81	−0.2	17.6	22.0	−2.3	−11.7	8.8
	84	1.5	10.4	12.4	−0.2	−10.0	9.4
Luxembourg	81	−0.3	6.8	8.3	31.1	−2.3	1.0
	84	−1.0	7.4	5.9	36.3	−1.5	2.4
Netherlands	81	−1.2	5.6	3.3	2.2	−5.2	7.1
	84	0.0	2.4	0.1	4.4	−7.1	17.6
UK	81	−2.0	12.1	14.7	2.4	−2.9	9.6
	84	2.2	4.8	6.3	−0.2	−2.1	11.9
EEC 10	81	0.4	9.1	12.1	−0.6	−5.2	7.8
	84	1.5	4.9	6.0	0.0	−4.7	10.9

* 1984 statistics are latest European Commission forecasts

Source: Economic Annual Report 1983-84 (Communication from the Commission to the Council)

Portuguese railways tries to halt rising losses

By Diana Smith in Lisbon

PORTUGAL'S debt-ridden national railway company Caminhos de Ferro Portugueses is cotting services, laying off contracted workers and delaying track repairs in a bid to slow the company's financial decline.

It employs 23,000 people at a monthly wage bill of Esc 1bn (£5.3m). Monthly revenue is Esc 750m (£4m).

The company plans to cut national services by 8 per cent on average. The greatest reductions will be in weekend and holiday commuter services in the Lisbon area, with cots of 50 per cent for the Sintra line and 43 per cent on the coast line to Cascais.

Accumulated debt reached Esc 13bn (£69m) this year. Massive subsidies by past governments and constant fare increases have not halted its plunge into the red.

Repeated strikes and loss of revenue, overmanning and disproportionate personnel costs and escalating financial overheads brought an operating loss last year of Esc 9bn.

The new Government's resolve to whip public concerns into more viable shape has hrought long-needed cuts.

Danish prices up 1.4%

Danish wholesale prices rose by 1.4 per cent in September and were 4.9 per cent higher than the same month last year. AP-DJ reports from Copenhagen. The sharpest increases were 3.4 per cent for animal-derived food, 2.8 per cent for fuels and lubricating oils and 1.9 per cent for agricultural raw materials.

Poland's new coal union squares up to Government

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH GOVERNMENT Ministers have promised the new coalminers union federation—set up to replace the banned Solidarity movement—a "difficult debate" on its action programme.

The programme, which concentrates on pay, welfare and housing and eschewes anything the authorities might construe as a direct political threat, was approved earlier this week by the federation's first congress in Katowice.

Predictably, government speakers at the meeting asked for calm during the negotiations once they start and greater productivity if the demands were to be fulfilled.

General Czeslaw Piotrowski, the Mining Minister, said: "All this will bave to be done calmly, reasonably and by stages."

Mr Stanislaw Ciosek, the Wages Minister, told delegates, whose generally staid appearance suggested that the union has failed to attract young people, that the programme "would cost hillions if it were all put into action."

Talks with the Government on a new collective wages agreement as provided for hy the programme will offer the first real test for the federation which many consider little more than a management-run union.

The Solidarity underground leadership has told its supporters to boycott such unions and Mr Lech Walesa, the Solidarity leader, has shown no interest in them as they now stand. Nevertheless, the federation claims a membership of 150,000 active miners and 30,000 pensioners. Poland's 68 collieries employ 400,000 miners.

Insiders estimate that about half the membership are "natural adherents of the authorities, ready when it comes to it to do as they are told," as one remarked. But the rest have joined to see "what can be achieved within the limits of the new trade union law" which includes the right to strike and government assuraoces of union independence.

Stanislaw Ciosek: "Programme would cost billions if implemented in full"

Mr Waclaw Martyniuk, 35-year-old chairman of the federation, who was a Solidarity activist in the union'a early days, told a news conferenre: "If the interests of the workers demand it, then we are ready to use our right to strike."

The federation wants a comprehensive overhaul of the wage agreement signed in February, 1980, including a revision of productivity norms, job classification and the wages system.

The present basic wage makes up a mere 30 per cent of actual earnings. The rest comes from some 200 bonus categories. The federation wants to reverse this position. Overall wage levels will have to match cost of living increases, it says—a response to food price rises expected in January.

This form of linkage was agreed by the Government in September, 1980, after miners strikes. But at this week's meeting, Mr Ciosek remarked that the proposal was "inflationary."

Saturday and Sunday working is also a rentral issue. When martial law was lifted in July, mine managements were given the right to force men to work maiotenance shifts on Sundays which even under martial law, had been voluntary.

The federation is demanding that Sunday working, which involves some 10 per cent of miners, become voluntary again, a suggestion which Gen. Piotrowski refused to accept.

As for Saturday working, the federation recognises that this is essential for the moment if domestic and export needs are to he fulfilled and production is to slay at the present 190m tonnes a year.

It is askiog the Mining Ministry, however, to present a timetable "showing how reductions in Saturday working will be acieved." For the moment, the union is emphasising that the economy as a whole must curb its excessive coal consumption.

Miners are also angry that only because of the overtime they earn on Saturday are they at the top of the industrial earnings league.

Election campaign barely disturbs the even tenor of Swiss life

BY ANTHONY McDERMOTT IN GENEVA

SWITZERLAND IS holding a general election on Sunday, although you would bardly notire it. Its voters are heing asked to elect 200 people to the National Council and 46 to the Council of States

But beyond newspaper analyses, somewhat protracted selection procedures by the 14 or so parties, posters on walls and pamphlets in letter boxes, the campaign has been featureless—as usual.

If there are to be any changes it will be in favour of the Ecologists (Switzerland has its own Greens) and the Right, taking advantage of anti-foreigner sentiments at a time of comparative economic austerity.

There are several reasons for this lack of liveliness and a political situation in which, if any party won or lost five seats, an electoral earthquake would bave reckoned to have occurred.

First, the ultimate political power does not rest with the two Houses of Parliament, who select the seven-member "coalition" cabinet, hut rather with "the people." The extraordinary aspect of Swiss democracy is that, through referenda held on average eight times a year on major issues, they can block legislation and, on a cantonal level, take decisions which bypass Parliament's authority.

Secondly, the fact that people have to vote so frequently on local issues, and that they are voting nationally for an almost immutable coalition of the main four parties, has resulted in a distinct lack of enthusiasm for going to the polls. This is especially so among the young. Turnout has fallen from 70 per cent in 1943 to 49 per cent in 1979.

The Social Democrats and conservative Radical Democrats each have 51 seats at present in the National Council. The Christian Democrats have 44 and the Swiss People's Party, strong in defenre of farmers and small business, has 23.

The two chambers have eqnal standing. The National Council, through a system of proportional representation, can be said to stand for the Swiss people. The other house, hased slernly on cantonal representatives, provides the hrake on decisions taken nationally withont due reference to the important local governments.

A key point is that since 1919 these four parties have never held less than 80 of the seats in Parliament. Furthermore, since 1959, the Swiss People's Party has had one cabinet seat, the rest two.

This year, two new members will be required, a result of the resignation earlier this month of M Georges-Andre Chevallez, the Defence Minister, and the death last Sunday of Herr Willi Ritschard, the Finanre Minister.

There is also disillusionment with the extent to which the Parliament is representative. For example, women were only granted the vote in 1971, and there were only 21 female members of the last Parliament. It is not a professional body, members receive SwFr 150 (£47) a day which does not go far, even with state assistance for accommodation, transport and secretarial help.

A member can expect to spend 12 weeks on normal duty and a month more if part of a specialised committee. This does not favour the ordinary worker or the self-employed. Thus MPs tend to depend on directorships. According to a recent study, members of the two houses bold 842 directorships representing SwFr 20bn (£6.3bn) in capital or 10 per cent of the country's GNP.

There could be some slight shifts on Sunday. The Greens can expect to increase the number of their seats, even though they only bold one at present and their cause has heen taken up by all other parties. The Socialists will lose a little. But anything more than that would suggest that the politics of Central Europe have become profoundly unstable.

What has to he noted about these Swiss elections is that, in the end, the prire of stability is the lack of participation by the voters.

AMERICAN NEWS

Brazil pauses to consider crisis

BY ANDREW WHITLEY AND ANATOLE KALETSKY IN BRASILIA

THE BRAZILIAN Government has given itself a breathing space of about six weeks following Wednesday night's historic defeat in Congress of three presidential decrees, incinding a key salary limitation bill.

In place of the defeated Decree-Law 2045, the Government yesterday puhlished the text of a new measure, Decree Law 2064, covering salary adjustments and e series of tax increases, primarily in the financial sector.

Like its predecessor, Decree Law 2064 now enters a 60-day period during which the opposition party dominated Congress can consider the measure. In practice, however, the decree is likely to be voted on earlier, as Congress is due to begin its long summer recess in the first week of December.

Brasilia was calm yesterday with no signs of any potential demonstrations to compel General Newton Cruz, military commander of the Federal District, to put into action any of the emergency powers granted him by the president the previous day.

Across the capital city meetings were taking place in both the opposition and Government camps to assess the impact of Wednesday's dramatie events. A scheduled meeting of the National Monetary Couneil Brazil's top economic policy-making body, was expected to put flesh on the bones of the latest presidential decree.

The new salary proposals, if they ever reach the statute books, will be a nightmare for accountants and company managers to administer. There will be 38 categories of earnings, adjusted on a sliding scale from 100 per cent of the official inflation index to 27 per cent for those best off, heve been created.

But the new measure is also considerably more socially equitable than its predecessor, which imposed a common ceiling of 80 per cent for all wage rises, irrespective of their baseline Decree Law 2064 roughly preserves the buying-power of lowest-paid workers, earning up to the equivalent of $1,550 a year, in line with inflation.

The total wage bill of individual state companies, responsible for approximately $60 per cent of Brazil's Gross Domestic Product and the main concern of the IMF, remains limited to 80 per cent of the inflation index, overall.

Among the Governmeot bills defeated in Congress on Wednesday was one intended to limit further the earnings of atate company employees, by cutting fringe benefits.

The implications of the crisis for negotiation of a national compact which would meet the needs of the IMF programme are unclear, according to western diplomats. The shadow of the beavy military band hanging over Brasilia may not impress politicians flushed with their defeat of the Government.

The rejection of decree-law 2045 was assisted by a dissident bloc of 28 Government party deputies, underlining extreme difficulty President Figueiredo feces in getting any measure through Congress under present circumstances.

There was considerable uncertainty yesterday over what the next steps are likely to be. The uncertainty was provoked both by concern over the possible full extent of the military-led Government's reserve powers, and by the prospect of sweeping changes in the rules on political affiliations.

This would permit a realignment of political factions in Congress and possibly restore a working majority to the Government.

Law rejection 'unlikely to hamper loan prospects'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

Brazil's efforts to raise a $6.5bn (£4.3bn) jumbo loan should not be seriously affected by the Congressional rejection on Wednesday night of the controversial salary law limiting wage rises to 80 per cent of the inflation rate.

This was the consensus view of international bankers yesterday as they studied early reports of the replacement law enacted by Presidential decree as soon as the Congressional vote was counted.

The new decree contains additional taxation measures which bankers felt should appeal to the International Monetary Fund. The IMF has recently been urging Brazil to raise more taxes.

IMF approval of the new measures is crucial to the whole $11bn deht rescue package being assemhled by government and commercial bank ereditors to avert a defeult on Brazil's $90bn foreign debt.

Banks have been asked to reply to Brazil's loan reqnest by November 10. While the replies are expected to flow more slowly because of the Congressional vote, senior bankers pointed out yesterday that no drawing will be made on the loan without IMF endorsement of Brazil's economic performance.

Airline unions pessimistic on deregulation

BY TERRY DODSWORTH IN NEW YORK

THE CHANCES of the airline unions persuading the authorities to reverse the process of deregulation in the industry were described as "zero" yesterday by Mr Dan McKinnon, chairman of the U.S. Civil Aeronautics Board.

Mr McKinnon, a Republican and political appointee brought in hy President Reagan, said that the airline pilots' campaign against deregulation meant that they wanted the American puhlic to subsidise high wage rates. Bnt low-cost carriers would he the "airlines that survive."

The Civil Aeronautics Boards was a powerful regulatory agency for the industry until the Airline Deregulation Act of 1978 started the process of abolishing controls on both fares and routes. Under the new deregulated system, airlines are free to determine their fare rates and to fly wherever they want.

Led by the airline pilots, unions in the industry have recently launched a campaign to curb the deregulation process on the grounds that it is pushing some airlines into liquidation and causing unnecessary disruption in the industry.

There has been some sympathy among the travelling public for the unions' point about route changes, since services to many small towns have been cut as airlines have been forced to economise in the fare war that has broken out since deregulation.

Craxi set for missile talks with Reagan

WASHINGTON – Sig Bettino Craxi, the Italian prime minister, meets President Ronald Reagan today to talk about the planned deployment of U.S. nuclear missiles in Europe, the peacekeeping effort in Lebanon and world economic recovery.

A U.S. official said those subjects were sure to be discussed by Mr Reagan and Sig Craxi at a meeting and luncheon at the White House.

Sig Craxi was to meet Mr George Shultz, Secretary of State, and Mr Malcolm Baldrige, Commerce Secretary, before the session with Mr Reagan.

The U.S. official said he believed Sig Craxi would not propose a delay of U.S. missile deployments in Italy even though he hinted last week that substantial Soviet concessions could lead to a delay.

Sig Craxi's commitment to the U.S. missile deployment in a letter to Mr Yuri Andropov, Soviet president, was so firm that he was not likely to propose a schedule change, the official said.

The first U.S. medium-range nuclear missiles are to be installed in Italy, West Germany and Britain in December, unless a U.S.-Soviet accord reducing Soviet missiles is reached.

Italy has said it will expand its role in Lebanon if the declared ceasefire there holds despite heavy new outbreaks of fighting. It has agreed with Greece to supply observers to monitor the ceasefire.

Italian forces form part of the multinational peacekeeping force in Lebanon along with U.S., French and British troops.

Reuter

Jimmy Burns in Buenos Aires assesses the Peronists

A face from the past dominates Argentine poll

Peron . . . ecstatic supporters

GENERAL JUAN PERON is alive and well and living in Argentina—or so his supporters believe. Nine years after his death, as the country lurches towards elections on October 30, the resurrection of the Peronist mystique has become one of the main characteristics of an increasingly emotional campaign.

"Peron, Peron, how great you are," chanted more than half e million ecstatie supporters in two massive rallies on Monday. In the streets leading to the capital's huge Velez stadium, men shrouded in Argentine flags sold posters showing Peron resplendant on his favourite borse—the very image of the Latin American "Caudillo."

Chocolate portraits of Evita Peron, his second wife and a legend in her own right, were also being busily snetched up. All aronnd the recorded speeches of the General and Evita crackled and sparked from battered vans as groups of faithful stood by, some of them tearful, as if the words were being really proclaimed et that moment.

Argentines have a remarkable capacity to forget their own history, the writer Ernesto Sabato once said or, in the Peronist case, to rewrite it to suit their own self image. "By remembering the old man, it belps us to forget the chaos of what we are," remarked an unusually candid young Peronist on Tuesday.

The last Peronist Government (1973-1976) provoked violent clashes between Left and Right, victims of terrorist killings at a rate of hundreds a week, hyperinflation, a virtual de fecto suspension of payments on the foreign deht, and the almost complete bankruptcy of industry. Bnt that was not as bad as what ensued, Peronist supporters argue. In any case, it is not the frail old man who briefly returned from Spanish exile they remember today but the golden early post-war years of the first Peronist Government when many Argentines found they had never had it so good.

Anyone present at Monday's rallies was left in no doubt of the attraction Peronism still holds for the bulk of the country's industrial working class and people on the fringe of society—an estimated 50 per cent of the voting population.

Of the three strands of official Peronist doctrine, two in particular bave been dug up with a vengeance in the current campaign: anti-imperialism and social justice.

The Peronist electoral platform makes the "reaffirmation of national sovereignty" a key aspect of future Government policy. Quite what this will mean in the context of the Falkland Islands depends as much on Mrs Margaret Thatcher, the British Prime Minister, as on political developments in Argentina. However, nationalist feelings are running high, and most high-ranking Peronist officials have warned that if they do not get the islands back eventually they do not rule out the renewed use of force.

Significantly, when recently a former Peronist Foreign Ministry official, Sr Leopoldo Tettamanti, suggested that he would be prepared to lay the ground for a new understanding with Britain by declaring a formal cessation of hostilities, the man was verbally crucified as an "antipatriot" who was unrepresentative of party thinking.

A key component of Peronist foreign policy doctrine remains the "third position," independent of both superpowers. Here again, Peronists are convinced that their legacy has been vindicated by recent events.

President Reynaldo Bignone's assertion at the Non-Aligned Summit in New Delhi in March that his country "did not accept a world view that reduced everything to a permanent ideological and military conflict between east and west" was viewed hy some diplomats as a radical U-turn for e military regime nourished on anti-communism and clandestine contacts with U.S. generals. But the Peronists saw it only as a belated return to the golden days of Argentine neutralism under their late leader.

There are signs that a future Peronist Government would not hesitate to play the Moscow card and exploit the average Argentine's deep-rooted anti-American feelings to try and bend Washington to its wishes. The Peronist leadership has accepted the support of the Communist Party in the forthcoming election, and it has been given free reign in formulation of mnch of the most strident anti-Yankee propaganda.

The Peronist economic programme is also essentially a return to the past, occupying a middle ground between capitalism and ontright state control. It hints at national socialism rather than social democracy by its implicit reliance on an essentially corporatists organisation of the state, based around the general confederation of labour and nationalised sectors of industry.

But the party platform is publicly committed to a mixed economy and sees a continuing role for foreign investment. It hopes to put the country back on the road to economic prosperity with a prices and incomes policy, sweeping reforms of the banking and fiscal systems, and by using subsidies to stimulate agricultural exports and import substitution.

On the foreign debt side, the Peronists are clearly faced with an unprecedented situation, since no civilian government has owed $39bn. For the moment, the Peronists remain officially committed to honouring Argentina's debt obligations, and recognise that the difference in the structures of Latin American economies makes it difficult for them to think in terms of a future debtors' club.

They have promised, however, to carry out e thorough investigation of the debt to establish how mnch of it was used up in speculetion or unaccounted arms purchasee. This could leave some creditor banks trapped in a nightmare of litigation.

The Peronists have accused the present anthorities of unconditional surrender to foreign banks and hint strongly thet, like Brazil, they want to see easier terms on their credits when an estimated $10bn of overdue payments come up for renegotiation next year.

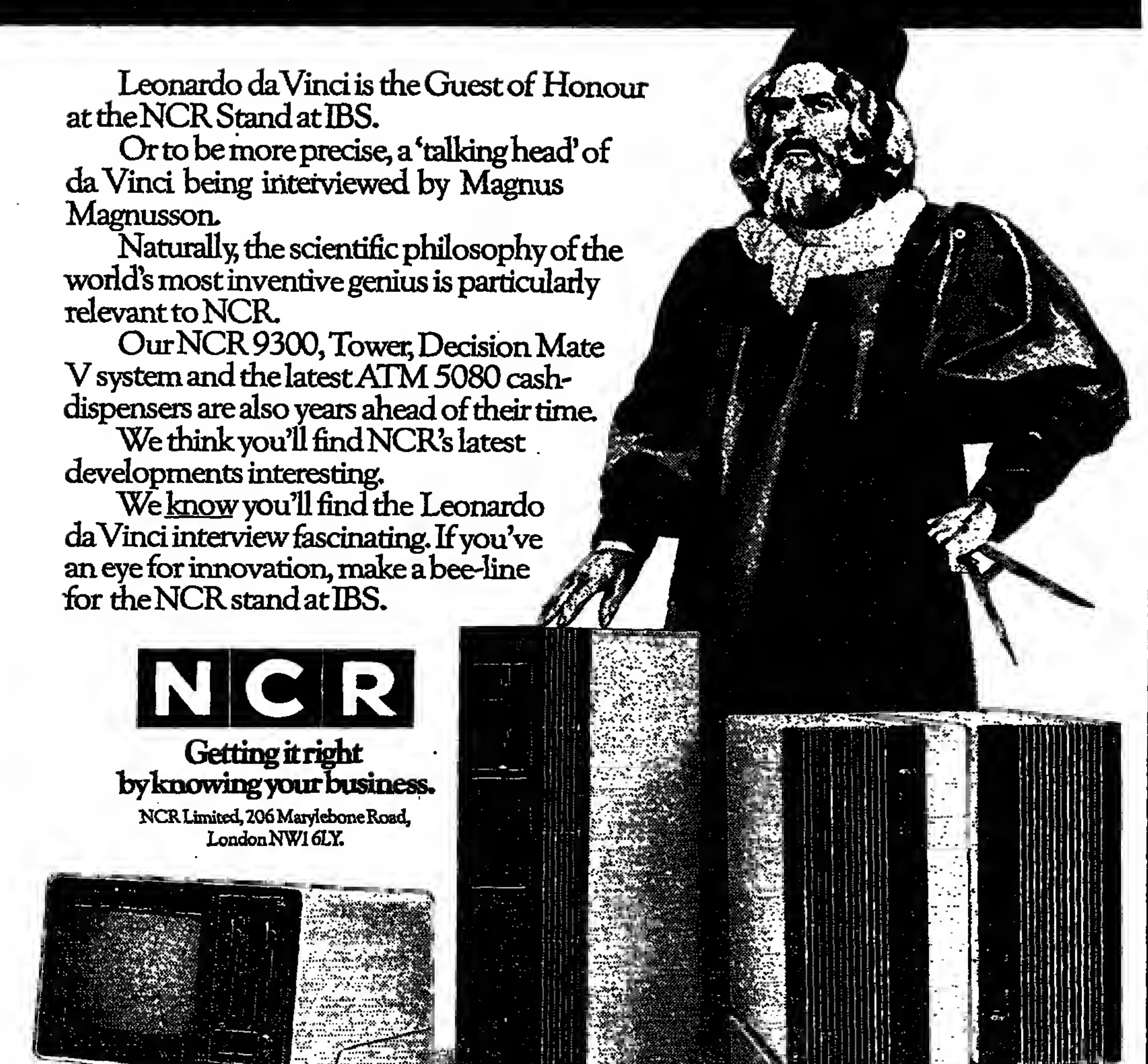
"This Government has conceded on everything. This must change when we come to power," commented Roberto Lavagna, an advisor on economic policy.

Such shows of machismo clearly appeal to Peronism's natural supporters among lower income workers, who have been particularly hit by the recession of the last three years. Nevertheless, the Peronist Party is for the first time in its history struggling for electoral acceptance by more than just its natural allies. Recent opinion polls show that the impressive lead which the Peronists have traditionally commanded over their rivals, the Radicals, will be considerably narrowed on October 30. The apparent shift in voting patterns has been largely attributed to an exodus from Peronist ranks by middle-class voters particularly small businessmen and students.

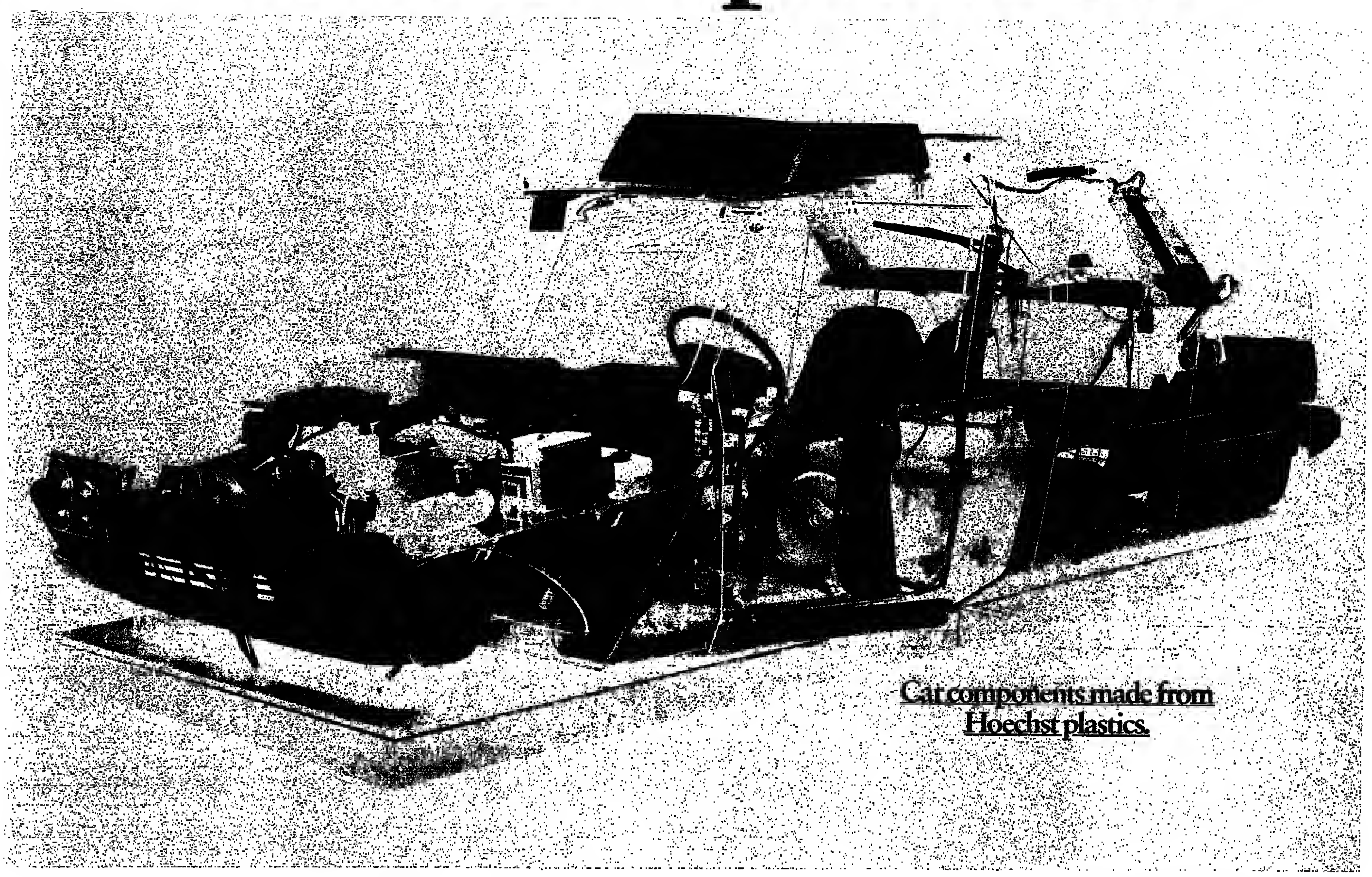
Looking beyond the mystique and into what they perceive as the real world, many Argentines have encountered a party wracked by internal rivalries. In spite of having been given an essentially symbolic role as Party Chairman, General Peron's surviving third wife Isabelita remains mute about her precise political intentions while exiled in Madrid. The confusion surrounding Argentina's last civilian president has contributed in recent weeks to a bectic jockeying for positions in the Party hierarchy.

In the absence of its first lady, the Peronist convention last month agreed on Sr Italo Luder as its presidential candidate. Sr Luder's reputation is that of a moderate if somewhat lackluatre lawyer who has remained above the campaign in striking contrast to the highly personalised style of his rival, Sr Paul Alfonsin. He is a former speaker of the senate and was provisional President for six weeks in 1975 (when Isabelita was ill).

But Sr Luder's campaign has been undermined by the dissatisfaction of some party militants with the recent appointment of the powerful metal workers union boss, Sr Lorenzo Miguel as Party Vice President. The choice of Sr Herminio Iglesias, as the Peronist candidate for the Governorship of Buenos Aires has also generated considerable controversy because of his alleged involvement in right-wing death squads, the illegal drugs trade and prostitution. In the past it was General Peron who resolved internal disputes by the sheer weight of his personality and political acumen. But unfortunately for the Peronists, he is no longer around.



Anyone who seriously wants to lose weight should consult a specialist.



Car components made from Hoechst plastics.

These days, weight watching is all the fashion with car manufacturers.

And with good reason.

The less a car weighs, the less fuel it needs.

It's an area where a company with specialist skills can make a vital contribution.

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High-grade plastics like ours now account for 10% of all modern car components.

All told, modern cars contain up to 200lbs of plastics.

Or the equivalent of some 600lbs in metal.

In fuel alone that means a saving of one litre for every 100 kilometres you drive.

But the case for plastics doesn't stop there.

Saving lives as well as petrol.

Inside the car, plastics are making life safer.

Sharp edges can now be replaced with soft, contoured lines.

(Look at the instrument panel and you'll see the difference.)

On the outside, plastics are demonstrably more resilient.

Water and ice won't rust them.

Light knocks won't dent them.

Under the bonnet plastics are positively taking over.

Electrical fuel pumps now weigh a mere 200 grams thanks to the inclusion of precision engineered plastics.

They're even appearing in modern braking systems.

Weighing up the Future.

There seems to be no limit to the applications of high-grade plastics.

Ours are already being formed into several hundred car components.

Where will it end?

We leave that to the imagination of the world's car designers.

But anyone who seriously wants to lose weight should seek expert advice.

You could start by asking us.

We're spending £1 million a day on a better tomorrow.

We spend £1 million a day on research to produce better chemicals, pharmaceuticals, fibres, plastics, dyes, agrochemicals, veterinary products, reprographics and many other vital products.
For the complete picture, please send for a copy of "Finding New Ways" to Hoechst UK Ltd., Publicity Dept., Salisbury Road, Hounslow, Middx TW4 6JH. Tel: 01-570 7712. Ext: 3366.

Hoechst

TECHNOLOGY

EDITED BY ALAN CANE

U.S. MINICOMPUTER MANUFACTURER'S NEW STRATEGY FOR SUCCESS

D.G. moves into new markets

BY PAUL WALTON

THE NEXT 12 months will see the pay-off for some $50m of investments made by U.S. minicomputer supplier Data General, according to the new UK general manager Mr John Dougall: "1984 is the year we have to deliver to shareholders; it is crucial."

The reshaped company could now deliver e return to the buoyant profitability of the pest, he said, after being hadly mauled hy aggressive microcomputer suppliers which stole away its meteoric growth for themselves by the end of the 1970s.

Two years on from that trough in earnings, where profits dived by nearly 80 per cent, Mr Dougall has now become a key figure in the corporate recovery plan which was just being drawn np when he joined Data General in early 1981.

It hinges on the company's ability to move quickly from being the fastest growing supplier of "naked" minicomputer hardware, to the greener pastures where microcomputers now power cheaper, complete systems or "total solutions."

Mr Dougall left a secure future to head Data General's subsidiary in his native Australia. He bought shares in it despite the ghoulisb figures (but for bim, a low stock price). He wanted to bead a computer company after 15 years with IBM.

"Dala General's lack of bureaucracy mirrored the IBM of the mid-sixties—it was on its toes and I thought I had some experience to offer," he said, expressing sentimeots echoed by other IBMers as they moved to the bridge of other, storm-tossed computer firms.

1984 is when the corporate plan which lured Dougall to Data General must pay off—but he adds that it is not make-or-break: "We're not putting the company on the line. I would say that we can have at least another year with flat sales with no major impact.

"For the past two years we have been sacrificing short term profitability in order to invest heavily, not only in hardware and software R and D, but also in getting into new markets, in building a new management infrastructure and in increasing our local support staff so that we can ensure customer satisfaction," Mr Dougall said.

The company has made significant moves in "special systems" including office automation, computer aided design and manufacturing (CAD/CAM), the provision of high level software and programming languages. Significantly, it has attempted to re-enter the professional personal computer market where it was failing miserably.


John Dougall: "payoff year"

"The feeling wben I joined the company was that we should move quite rapidly from being in the broad market of supplying boxes, to selling more specific systems. In some ways, Data General should now be called Data Specific," Mr Dougall said.

There has been a great deal of action on the software front. The Comprehensive Electronic Office (CEO) software is claimed to be the first system which can nse Northern Telecomm's Displayphone, storing and forwarding voice as well as data and text over the same electronic network.

With the Canadian telecommunications giant now intending to market in the UK, both its Displayphone and the SL/1 digital private automated branch telephone exchange might be sold as part of a CEO system.

Data General has launched specialised CAD/CAM systems as well, with the Graphics Workstation (GWS/4000) integrating one of its Eclipse series MV/4000 minicomputers into a very powerful terminal.

Surprisingly, the recently announced Desktop Generation professional personal computer with which the company re-entered this market for smaller computers is not expected to contribute overmuch to UK sales, going first to existing rather than first-time users. Mr Dougall said: "We don't expect to sell more than 1,500 to 2,000 this year to customers."

The company is about to report figures for 1982, which Mr Dougall said should see a slight rise in profit, adding the prediction: "We will break through the billion dollar sales threshold for the first time next year, and get our profit back up, to 13 or 14 per cent."

HONEYWELL LAUNCHES ADVANCED PROCESS CONTROL SYSTEM

'Single window' on relevant plant data

BY RAYMOND SNODDY

HONEYWELL, the multinational computer company, is to introduce a new process management system next year using advanced communications and distributed computing to integrate process control and plant information.

The new system—TDC 3000—will be available in volume by 1985 and is the result of a seven-year research programme costing $80m.

Mr Michael Bonsignore, president of Honeywell Europe, says the new product "allows a plant'a process control, prodnct, planning and business data to be merged into a single unified information and control resource. It makes total plant management possible for the first time."

More particularly, Honeywell, which has an installed user base worth $1bn for its existing system TDC 2000, bopes it will give it a lead over the opposition—companies such as Foxboro and Fisher Controls of the U.S., Siemens of West Germany and Brown Boveri Kent in the UK.

The company says the new system gives everyone from the process operator to corporate management a "single window" to all relevant plant data, real time or historical at the push of a hutton or the touch of the screen on the universal operator station.

The universal station has been designed effectively to eliminate the need for dedicated interfaces to each process area, instrument sub-station or for operation, maintenance or engineering functions. The screens have a touch option. Touch the target area and the level of data required comes up on the screen.

Data highways link field components to a high-level local control network via gateways which buffer and translate data.

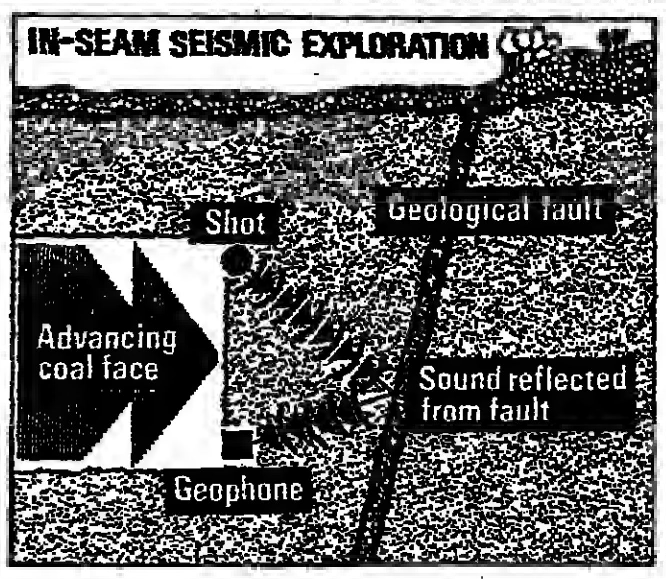
The local control network also distributes data at the rate of 5m bits per second to and from discrete modules which provide process and event history and which store and carry out advanced control strategies.

Up to 64 modules can be linked to the network which uses fibre optic connections to bring data from up to several kilometres away. Mr Bonsignore says be believes Honeywell has about 50 per cent of the process management system market in Europe and hopes the TDC 3000 will maintain the momentum.

The cost of the new system will range from around $100,000 to over $10m. Mr Bonsignore says initial studies suggest the payback period for e $2m system could be less than a year.

Current UK users of the TDC 2000 include Shell, BP, Mobil and Esso. The basic controllers of the TDC 2000 are manufactured at Honeywell'a high technology unit et Newbouse near Glasgow.

Within a couple of years the control modules of the new system may also be prodnced there with the possibility of an increase in jobs.



MINING

Welsh test fault detection method

BY ROBIN REEVES, WELSH CORRESPONDENT

A NEW in-seam seismic surveying technique has recently been introduced into the South Wales coalfield to help Welsh miners avoid geological disturbances which would otherwise hinder coal production.

The new me'y.od has been developed at the National Coal Board's researcb centre at Bretby, Staffordshire, and is being tried out for the first time in South Wales, where the the geology is notoriously hazardous.

According to Mr Mike Allen, the NCB's South Wales geologist, the new technique, could result in savings in lost production, caused by difficult geology, of some £10m a year.

A specialist team of geophysicists has begun visiting collieries throughout the coalfield to carry out the seismic surveys which involve sophisticated recordings of the echoes of small explosive charges set off in the coal fece.

The resulting information is then analysed by computer at the NCB's data processing centre in Yorkshire. By giving colliery managements important information about the geological structure ahead of the coalface, it is enabling them to plan ahead and improve the efficiency of coal extraction.

MICRO COMPUTER MAINTENANCE

High Street micro repairs

THE FIRST nationwide chain of microcomputer repair shops will also provide a major boost to youth employment. Some 120 school-leavers will be trained to work in the 40 "Bus Shops," being set up next year.

These young people will be trained to provide the first high street repair service for microcomputers, ready for when the normal one-year supplier's warranty has run out. "It will be a bit like the bicycle repair shops of the 30s and 40s, being very closely linked to the local commnnity," said Bill Nickoll, managing director of GCS Engineering, which has put aside £1,600,000 to pay for the 40 shops.

He said that the vast number of microcomputers which are now being used in Britain has led to the demand for hardware repair. Eventually the Bus Shops would service the entire computer system, inclnding software, he added.

Most recent figures (February) suggest that o<zr 1m microcomputers have been bought in Britain. The smaller Sinclair, Commodore and Acorn home computers are the most popular, but service on these machines rarely extends beyond six to 12 months and is relatively expensive when compared to their low cost.

Training

NatWest puts videos on counters

EVERY MAJOR National Westminster bank is to have its own video cassette player for training staff, with some 300 additional sets also being used to instruct—or even win—customers.

NatWest claims a lead in the use of video for front-of-counter marketing promotions, with the first successful "live" trials just completed in five London branches: two minute video programmes instructing customers how to use rapid cash tills in the bank.

Mr Ernest Fowles, manager of NatWest's video unit said that this promotional use of video would be increased. Greater use would be made of some 2,100 Sony Umatic "industrial" machines to train staff in the basic banking and office skills.

NatWest has about a dozen video programmes made for it by independent studios every year. Mr Fowles said that while the bank is planning more promotional films for use on the first 300 front-of-counter vid:-- machines to be installed by the start of 1984, it is not saying what they will be about yet.

"Watch this space—we have plans which we certainly do not want to give away to our competition," said Mr Fowles, who has been on the project since its inception four years ago.

Photography

Digital pictures

A CAMERA which produces instant photographs using the digital output direct from oscilloscopes, video screens and CRT's has been launched by Polaroid.

It has a 105 mm fixed focus lens, with variable shutter speeds which can match the CRT sweep feed or refresh rate.

The CR-10 instant CRT camera model 33-30 uses any of the seven Polaroid instant black and white and colour 3-1/4 by 4-1/4 film types, which develop in under 60 seconds.

The camera weighs less than 2.5 lb and has a suggested retail price of $349.

Fibre optics

Light link to IBM mainframes

LONG DISTANCE transmission of information by fibre optics for IBM mainframe computers has been unveiled by Japanese Sumitomo Electric.

Substitution of a two-core fibre optic cable for the normal multi-core coaxial cable is claimed to extend the distance between a central processor and peripheral devices such as terminals to a maximum of 2 kilometres from the previous 30 metres. The device is called the Fibre optics channel interface extender (Focie).

Facsimile

Low cost terminal from Xerox

XEROX HAS launched its cheapest facsimile terminal which can communicate directly with a computer.

The new Telecopier 295 can receive information for printing and distribution in digital form by way of an RS 232 interface, halving the price of the previous Xerox facsimile machine which first did this to $4,800.

The computer link costs an extra $700, speeding up the sending and reception of a page to under 30 seconds. Communication with older and slower Xerox facsimile machines costs an extra $600.

Inmos chip

Britain's state-backed microchip company, Inmos launched a 64K dynamic RAM, not 8K as reported on Tuesday. More from Inmos on 0272 290861.

Company's future goes up in smoke

Testing time: Holdfire's dampers triumph under fire.

Fire at sea is a particularly hazardous affair. Especially far out in the North Sea, where Shell's platforms are pumping oil and gas.

If we dialled 999, we'd wait a long time. We're left very much to our own devices. And one such device is the damper.

Dampers are valves which, in the unlikely event of a fire, stop flames and fumes spreading along pipes and air shafts.

When we first set up shop in the world's cruellest sea, no dampers had been designed for such a hostile environment.

Enter a group of bright sparks, aptly named Holdfire, from landlocked Cheltenham.

They'd been making dampers for office blocks. Now they headed out to sea on a venture that might have sunk an outfit ten times their size.

Virtually overnight, in an operation that bore witness to British enterprise at its most tenacious, a new generation of damper was born. Dampers forged from new grades of steel, impervious to hell or high water. Automated dampers triggered by smoke and fire detection systems with the keenest of senses.

In coming to our aid, Holdfire set new standards for the fire prevention industry. So much so that new tests had to be devised for them to pass.

For their efforts, they received far more by way of reward than a mere pat on the bank balance from Shell.

Back on dry land, they found that their new designs could be turned to countless new uses worldwide: in a paper mill in Sweden, in a gas pumping installation in Germany, in several hospitals in England, to name but a few.

Orders keep coming in, from Japan to Saudi Arabia. In fact, since Holdfire joined us in the North Sea they've grown ninefold. You could say they're spreading like wildfire.

Holdfire: working well with Shell

OVERSEAS NEWS

UK and China end Hong Kong talks on optimistic note

BY ALAIN CASS IN HONG KONG

BRITAIN AND China ended their fifth round of talks over the future of Hong Kong yesterday on an optimistic note after weeks of deadlock and public recrimination.

A joint statement issued after the talks held in the former Austro - Hungarian legation building in Peking described the talks as "useful and constructive."

The only other time the sessions have been described in this fashion was after the two sides first met last July. On the last two occasions, as the two sides wrangled over the issue of sovereignty, no official comment was made.

Yesterday's talks, which were led on the British side by Sir Percy Cradock, the British ambassador to Peking, and on the Chinese side by vice-Foreign Minister Yao Guang, also lasted half an hour longer than previously.

Officials in Hong Kong cautioned against undue optimism and gave a warning that the negotiations had a long way to go. But the atmosphere seemed more cheerful, and one official conceded that "things may be looking up."

It was pointed out that compared with previous occasions, this session of talks was not preceded by the usual barrage of propaganda from Peking.

The two sides said they would meet again on November 14 and 15.

Officials refused to comment on reports that Sir Percy handed a letter from Mrs Margaret Thatcher, the British Prime Minister, to the Chinese side.

China has been insisting that Britain concede sovereignty over the entire territory before the two sides discuss practical arrangements for its administration after 1977.

That is when the lease on the New Territories and much of the Kowloon peninsula runs out. Hong Kong Island was ceded to Britain in perpertuity in a 19th century treaty which China disputes.

Hong Kong's nervous financial markets hardly reacted to the news, which dealers said had been discounted in trading earlier this week. The Hang Seng index closed at 790.11, down 4.23 points following two successive days of gains.

Yesterday's fall reflected anxiety over sharp rises in local interbank rates stemming from the demand for Hong Kong dollars created by last Saturday's measures to shore up the currency.

The Hong Kong dollar ended the day at around HK$7.80 to US$1, the rate set for new note issues by the government in its rescue package.

But, in a move which apparently reversed its earlier support for the measures and indicated a growing tendency to make itself felt in the territory, an official of the Bank of China was quoted calling for the new measures to be scrapped.

Botswana to join top diamond producers

By J. D. F. Jones in Gaborone

BOTSWANA, until recently classed as one of the world's poorest nations, will this year produce more than 10m carats of diamonds to overtake South Africa as the third largest producer in the world.

Mr Louis Nchindo, resident director of Debswana, which is jointly owned by De Beers and the Botswana Government, confirmed that output in 1983 will substantially exceed previous estimates due to the performance of the Jwaneng mine, which was opened last year.

He said that Botswana's output might grow to between 10m and 12m carats over the next three years. Total production is divided roughly one-quarter in gems and three-quarters in industrial diamonds.

Total 1983 projected production for South Africa is generally estimated at about 9.5m carats, for Zaire at approaching 11m and for the Soviet Union in the region of 12m.

Meanwhile, exploration continues in various parts of the country, including the Central Kalahari desert where the depth of sand-cover presents technical problems.

Falconbridge, which has been looking for diamonds for some years, has now entered into an agreement with De Beers under which, it is thought, De Beers has assumed the financial burden of the exploration

Philippines move to tighten credit

By Abby Tan in Manila

THE Monetary Board of the Philippines yesterday moved to tighten credit following this month's 21 per cent devaluation of the peso.

Banks and other financial institutions have been told to increase the minimum reserves they hold against short-term liabilities in stages to 23 per cent by the start of December.

A first increase of 1.5 per cent is to become effective on November 1 followed by a second increase, also of 1.5 points, a month later.

The move is likely to push up interest rates and make credit harder to obtain which in turn will offset the inflationary impact of the devaluation.

jobs. The confederation be-

The financial crisis in the Philippines is unsettling for business and industry. Foreign and local businessmen have formed a taskforce and proposed measures to the central bank to help shore up the ballooning balance of payments deficit which is expected to reach $2bn by the end of 1983.

They have proposed a 15 per cent cut in imports in order to allocate the available foreign exchange. The peso's devaluation and the 90-day postponement of repayments have contributed to the crises.

Industrial unrest yesterday spread to various parts of Manila over demands for more pay. More than 15,000 state schoolteachers walked out of their jobs in protest

MALAYSIA'S PRIME MINISTER FIGHTS TO DEFUSE TWO ISSUES

Crises test Mahathir

BY WONG SULONG IN KUALA LUMPUR

WHEN Malaysian Prime Minister Mahathir Mohammad returned last month from a long-needed rest in France, he was the picture of health. Today, he is a troubled man, fighting desperately to defuse two highly sensitive problems which have severely eroded his authority and credibility.

The first, the Constitutional Amendment Bill, is of his own making. The second, the loan scandal in Hong Kong involving state-owned Bank Bumiputra, has been dumped on him.

Together, they represent the biggest challenge to this blunt-talking 57-year-old leader since he became Prime Minister in July 1981. Both are such delicate issues that the political fall-out could be extensive.

The Constitutional Amendment Bill pits Dr Mahathir against the country's nine hereditary sultans, whose positions are being threatened.

It transfers the power to declare a state of emergency from the Malaysian King to the Prime Minister. More important, all future Bills will become law 15 days after being passed by Parliament, irrespective whether or not they get the Royal assent.

Under the federal constitution, the various states have to take similar steps to align their laws to this revolutionary change.

To the Government, the Bill was a necessity, believing it is normal in a constitutional monarchy for the King to be advised by his prime minister on whether a state of emergency exists.

Mahathir . . . vulnerable

In the past, several sultans, who dislike their chief ministers for a variety of reasons, had seen it fit to refuse to sign bills, thereby disrupting the government. The impasse had been broken only through the resignations of the chief ministers concerned.

Dr Mahathir does not want to see such a crisis in the federal capital.

But the Malaysian King, Sultan Ahmad Shah, and his fellow sultans, do not see it in this perspective.

They view the Bill as an attempt to reduce their positions to that of mere figureheads.

Royalists are arguing that the Bill is not only unconstitutional, but probably seditious, since it represents an insult to the position and dignity of the rulers.

It has been two and a-half months since parliament passed the Bill and the King is refusing to sign it, spending his time in his home state of Pahang, recovering from what was officially described as "chest pains."

The nine sultans chose the King among themselves and he reigns as the Agong (paramount ruler) for five years.

No less an authority than the venerable Tunku Abdul Rahman has publicly questioned the wisdom of the Bill.

Breaking a long silence this week, he said the powers of the Prime Minister under the Bill make him an all-powerful figure, who could easily turn the country into a republic.

The Tunku's views are important because he holds the unique distinction of being Malaysia's first and longest serving Price Minister and is a prince himself.

He feels the monarchy has worked well during 26 years of independence and even the non-Malays have grown to respect it.

To reduce Royal dignity and powers could be a dangerous precedent.

In the face of a united opposition from the Royal rulers, Dr Mahathir's dilemma is whether to return to parliament to seek further support and risk and all-out confrontation with the sultans, or withdraw the legislation

The issue is so sensitive that the Malaysian Press has been ordered by the Prime Minister's office not to publish any comments on the controversy.

Australia to ship crude oil to Hawaii

AUSTRALIA will become an oil exporter for the first time next month, when Broken Hill Proprietary (BHP) ships between 350,000 and 600,000 barrels of Bass Strait crude to Hawaii, writes Michael Thompson-Noel in Sydney.

In addition, a further consignment of crude may be shipped before the end of the year on behalf of BHP's Bass Strait partner, Esso Australia.

Australia uses more than 600,000 barrels of crude per day but needs a reasonable amount of heavier, imported crudes for certain products.

Under measures announced in its budget in August, the Government is now allowing oil exports in limited quantities when local production exceeds the amount that can reasonably be handled by Australian refiners.

Seoul threat to North Korea

SOUTH KOREAN President Chun Doo Hwan said yesterday that if provocation like the Rangoon bomb explosion should happen again, the North Koreans could "expect, without fail, a corresponding retaliation in strength."

The blast killed 21 people, including four South Korean Cabinet Ministers.

The President's threat, which increases tension between the two countries, came in a nationally televised address 11 days after the explosion.

Air-India's plan to re-equip fleet may cost $2.5bn

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

AIR-INDIA is planning a fleet re-equipment programme that may cost as much as $2.5bn (£1.66bn).

A management team set up inside the airline some time ago to study possible replacements for the existing fleet of seven Boeing 707s and three A-300 Airbuses on medium- to long-range routes has now produced its report.

Although this remains secret inside the airline, Press reports in New Delhi suggest that one of its main conclusions is that the proposed new U.S. McDonnell Douglas MD-100 tri-jet airliner (intended as a replacement for the existing McDonnell Douglas DC-10 airliner) would be a suitable aircraft.

The unconfirmed Press reports suggested that Air-India might buy as many as 18 MD-100s, becoming a "launch customer" for that aircraft. The airline's interest stems from the MD-100's capability of flying both long- and medium-range routes with payloads of up to about 230 seats.

Included in Air-India's long-term re-equipment plans would be an additional five Boeing 747 long-range Jumbo jets, in addition to the existing 10 in the fleet.

Air-India, which is state-owned, is basically a long-haul airline, with routes to the UK and Western Europe, the Middle and Far East, Australasia, North America and Africa.

India's internal services are flown by Indian Airlines and a new, regional carrier, called Vayudoot.

The reports suggested that Air-India would pass its three Airbus A-300s to Indian Airlines, which already has a fleet of such aircraft, and concentrate on only two types of long-range jets—the Boeing 747 Jumbo and the MD-100.

Air-India in Bombay and New Delhi declined to comment on the reports, although a spokesman confirmed that the fleet replacement study team had completed and submitted its report to the management.

Japan car-parts company to manufacture in U.S.

NIPPONDENSO, Japan's leading car parts manufacturer, plans to construct at least two new manufacturing plants in the U.S. by 1986, a company official said yesterday, AP-DJ reports from Tokyo.

Unlike its present units in California and Michigan, the new plants would manufacture car parts rather than just assemble them, the official said.

One of the plants will be located on the West Coast and the other will be in the Mid-west.

Nippondenso aims to supply the parts to a planned joint venture between Toyota Motor and General Motors, and also is looking to supply possible new ventures between Ford or Chrysler with other Japanese car makers, the official said.

The company said senior officials of Nippondenso, have already been sent to the U.S. to look into the purchase of two tracts of land each about 400,000 square metres.

Nippondenso currently has a plant in operation producing car airconditioners in Los Angeles and by the end of this year will start assembling car heaters and windshield washers in Battle Creek, Michigan.

● The heads of the patent offices of the U.S., Japan and Europe have signed an agreement that eventually will give inventors speedier action on overseas patent rights, Reuter writes from Washington.

The agreement, worked out at a three-day conference in Washington, provides for future co-operation in research and exchange of information on millions of patents.

Mr Gerald Mossinghoff, the U.S. Patents Commissioner told reporters that the U.S., Europe and Japan would exchange in magnetic tape for use in data systems. Eventually, he said, the data might be exchanged via satellite.

Asean agrees framework for joint ventures

BY CHRIS SHERWELL, SOUTH EAST ASIA CORRESPONDENT, IN SINGAPORE

THE ASSOCIATION of South-East Asian Nations (Asean), after years of negotiation, is expected to agree next month to a legal framework for a series of joint private sector industrial ventures.

Economic ministers from the five member countries—Thailand, Malaysia, Singapore, Indonesia and the Philippines—reached a compromise on tariff provisions concerning such projects at a three-day meeting in Bangkok this week.

The compromise, which the five Governments must still endorse, met objections that had been registered by Malaysia, which prevented agreement earlier this year. The accord aims to encourage industrialists to get involved in several joint manufacturing projects by giving them assured markets.

The agreement specifies that countries participating in the joint ventures will offer special reduced tariffs for the resulting products. Asean members not involved in the projects will have the option of deciding whether to offer similar reductions.

Previously, Malaysia had opposed a draft which demanded that other Asean countries adopt the reduced tariffs after three years. Such countries must now choose one way or the other within a three- or four-year period.

In order to encourage joint ventures to start, Asean countries not taking part in a project will also not be entitled to special tariff rates for items they produce which would compete with the products of the ventures.

● Kuwait has withdrawn from a $1.5bn project aimed at building a giant complex in Singapore to house all oil related industries, including shipping and financial firms, Reuter reports from Singapore.

But the Government's Jurong Town Corporation (JTC) said that it would go ahead with the project known as the International Petroleum Centre, originally planned as a joint venture between JTC and the Kuwait Real Estate Investment Consortium (KREIC). Sources said that KREIC had pulled out because of financial difficulties

UK-Irish venture in Saudi airport bid

By David Dodwell

A SUBSIDIARY of Brengreen Holdings, the UK contract cleaning group, is planning a joint venture with an Aer Lingus subsidiary to bid for airport cleaning and maintenance contracts worth about £50m a year in Saudi Arabia's 16 civilian airports.

Opportunity to bid for the contracts, which include traffic control, baggage handling, maintenance of buildings, runways and aircraft, and airport cleaning, arises following the dismissal a month ago of Dellar, a Saudi-based company.

Mr David Evans, the Brengreen chairman, said yesterday that his Saudi-based subsidiary, the Saudi National Cleaning and Maintenance Co. (Sanco), has signed a memorandum of understanding with Aviation Services (Ireland), an Aer Lingus subsidiary, to tender jointly for the work.

Aer Lingus already carries out passenger and cargo handling services at Heathrow airport outside London, New York and Boston airports in the U.S., and all of the main Irish airports.

It would have been unable to tender alone for the Saudi contracts, since it has no subsidiary operation that is locally registered.

Peter Bruce reports on a new anti-dumping offensive

Japanese bearings alarm Europe

LEADING European bearings producers, including Sweden's SKF, FAG of West Germany, France's SNF and British Timken and RHP from the UK, have launched their third assault on Japanese imports into the EEC following the apparent breakdown of 1977 and 1981 pricing agreement with the Japanese.

The European bearings producers, through their industry watchdog, have persuaded the European Commission to begin a new anti-dumping investigation against imports of miniature and instrument ball bearings from Japan and to review the effectiveness of their earlier pricing agreements with Japan's big producers across the entire spectrum of ball and roller bearing imports.

New figures compiled by the Federation of European Bearings Manufacturers' Associations (Febma), show that the Japanese share of the EEC ball bearing market, excluding Italy, is once again on the rise following temporary falls after the two previous dumping investigations.

Leading Japanese manufacturers, including Nippon Seiko, NTN Toyo Koyo Seiko and Nachi-Fujikoshi, took 11.5 per cent of the EEC ball bearing market, worth nearly £1bn last year. Febma officials in Frankfurt believe the Japanese market share will have risen considerably this year.

The Europeans insist, however, that they are not attacking Japanese volumes. "It is prices that are hurting here," said Mr Guenther Moeller, Febma's secretary general. Febma is being coy about the exact home and export price differentials they accuse the Japanese of but claim that evidence presented to the Commission was "so decisive" that Brussels had little option but to take up the issue again.

In their 1981 investigation, the Commission said it had found evidence of dumping margins as high as 84 per cent for some bearings, though differentials averaged out at around 20 per cent. It is no coincidence now that the new complaints come as European manufacturers, most of which have undertaken intensive rationalisation in the past few years, enter into sensitive price negotiations on 1984 prices with their customers.

JAPANESE SHARE OF EEC BALL BEARING MARKET*

Year	Total market	160mm market
1974	12	17.2
1975	15.8	22.1
1976	16.2	22.2
1977	13.7	17
1978	10	13.1
1979	9.1	11.8
1980	10.1	12.8
1981	10.8	13.5
1982	11.5	14.4

* Excludes Italy.

Source: Federation of European Bearings Manufacturers' Associations

EEC manufacturers accuse the Japanese, particularly, of targetting the volume "bread and butter" markets, primarily in the motor industry, with bearings of up to 160mm in diameter. Japanese market share in these lines has been consistently higher than the average.

Where the Japanese share of the total EEC market (excluding Italy) was 12 per cent in 1974 they held 17.2 per cent of the volume ball bearing business. By 1976, just before the first dumping probe, total Japanese market share stood at 16.2 per cent and 22.2 per cent for the volume products. By last year, despite a reduction in overall market share to 11.5 per cent, penetration of the bread and butter business was still ahead at 14.4 per cent.

The deepest inroads in the volume markets has been made in West Germany and the UK where Japanese market shares were 16.5 per cent and 16.4 per cent respectively.

Ironically, in France, where the Japanese share of this volume market was a relatively modest 11.5 per cent last year, price competition is now said to be most keen.

It seems likely that the big four Japanese producers will want to oppose any attempt by the Commission to take its previous position further by actually imposing dumping duties this time around.

Net profits at Nippon Seiko plunged Y2bn (£5.7m) to just over Y7bn in the year to April this year. NTN Toyo profits fell Y1.4bn. At Koyo Seiko, which was in financial trouble the last time Brussels acted on imports, net profits to March this year fell a dramatic Y3.5bn to Y2.8bn. Analysts in Tokyo are forecasting net profits at Nachi-Fujikoshi at around Y700m for its 1983 financial year which ends next month.

Stern action by the Community could severely damage forecasts from each company for a recovery in 1984.

It is now inevitable that a fifth Japanese producer, Minebea, will be drawn into the Commission's investigations. The company is Japan's biggest producer of miniature and precision bearing.

Febma believes Minebea is using a modern new plant in Singapore to flood the £20m Community market and there are fears of further expansion in Singapore and the construction of a new plant in Thailand.

Major European producers of miniature bearings believe Minebea is undercutting them by up to 30 per cent. According to one industry official, gross margins on the highest quality precision bearings have been cut from the 25 per cent of three years ago to around 6 per cent today.

Italians win foreign orders worth $160m

By James Buxton in Rome

ITALIAN state and private sector companies have announced more than $160m (£105m) in foreign orders.

Saipem, the engineering subsidiary of IRI, the state energy company, has signed a $130m contract for construction of a gas complex in southwest Iran.

The contract, with the Iranian National Oil Company, is a renegotiation of a contract concluded several years ago but suspended because of the Iran-Iraq war.

It is for the construction of a natural gas gathering, treating and distribution system. The work will involve 300 Italians and Saipem has obtained an Iranian agreement to be paid monthly in cash.

Telettra, the telecommunications arm of Fiat, has won a contract worth more than L50bn ($31m) for the supply on a turnkey basis of a communications system for the Nigerian National Petroleum Company.

Telettra has also won a separate contract worth about L10bn for radio bridge systems for Nigerian external telecommunications.

Zanussi Grandi Impianti has signed an agreement with Magic Chef of Chicago under which it will supply several thousand commercial laundry machines a year.

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	9 %
Allied Irish Bank	9 %
Amro Bank	9 %
Henry Ansbacher	9 %
Arbuthnot Latham	9 %
Armco Trust Ltd.	9 %
Associates Cap. Corp.	9½%
Banco de Bilbao	9 %
Bank Hapoalim BM	9 %
BCCI	9 %
Bank of Ireland	9 %
Bank Leumi (UK) plc	9 %
Bank of Cyprus	9 %
Bank of Scotland ¶	9 %
Banque Belge Ltd.	9 %
Banque du Rhone	10 %
Barclays Bank	9 %
Beneficial Trust Ltd.	10 %
Bremar Holdings Ltd.	9 %
Brit. Bank of Mid. East	9 %
■ Brown Shipley	9½%
CL Bank Nederland	9 %
Canada Perm't Trust	10 %
Castle Court Trust Ltd.	9½%
Cayzer Ltd.	9 %
Cedar Holdings	10 %
■ Charterhouse Japhet	9 %
Choulartons	10½%
Citibank Savings ¶	10½%
Clydesdale Bank	9 %
C. E. Coates	9½%
Comm. Bk. of N. East	9 %
Consolidated Credits	9½%
Co-operative Bank *	9 %
The Cyprus Popular Bk.	9 %
Dunbar & Co. Ltd.	9 %
Duncan Lawrie	9 %
E. T. Trust	9½%
Exeter Trust Ltd.	10 %
First Nat. Fin. Corp.	11½%
First Nat. Secs. Ltd.	11½%
Robert Fraser	10 %
Grindlays Bank ‡	9 %
■ Guinness Mahon	9 %
■ Hambros Bank	9 %
Heritable & Gen. Trust	9 %
■ Hill Samuel §	9 %
C. Hoare & Co. †	9 %
Hongkong & Shanghai	9 %
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	9½%
Lloyds Bank	9 %
Mallinhall Limited	9 %
Edward Manson & Co.	10½%
Meghraj and Sons Ltd.	9 %
Midland Bank	9 %
■ Morgan Grenfell	9 %
National Bk. of Kuwait	9 %
National Girobank	9 %
National Westminster	9 %
Norwich Gen. Tst.	9 %
R. Raphael & Sons	9 %
P. S. Refson & Co.	9 %
Roxburghe Guarantee	9½%
Royal Trust Co. Canada	9 %
Standard Chartered ‖	9 %
Trade Dev. Bank	9 %
TCB	9 %
Trustee Savings Bank	9 %
United Bank of Kuwait	9 %
United Mizrahi Bank	9 %
Volkskas Intnl. Ltd.	9 %
Westpac Banking Corp.	9 %
Whiteaway Laidlaw	9½%
Williams & Glyn's	9 %
Wintrust Secs. Ltd.	9 %
Yorkshire Bank	9 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 6½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Money Market Cheque Account—8.97%. Effective annual rate—9.27%.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the Directors for the quarter ended September 30 1983

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 14 334 376 shares of 50 cents each

	Quarter ended Sept. 1983	Quarter ended June 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	380	377	1 470
Tons milled—000	3 299	2 349	0 993
Yield—g/t	4.33	4.40	4 48
Production—kg	9 940	10 333	40 324
Cost—R/m² mined	266.37	248.28	283.91
—R/ton milled	44.03	30.84	41.49
—R/kg produced	10 174	9 083	9 258
JMS (See summary)			
Slimes delivered			
Tons 000	1 251	1 271	5 234
Head grade			
gold—g/t	0.41	0.44	0.43
uranium—kg/t	0.09	0.10	0.10
sulphur—per cent	0.81	0.83	0.88
PRICE RECEIVED ON SALES			
Gold—R/kg	14.953	14 971	18 389
—$/oz	421	428	439
FINANCIAL RESULTS	R000	0000	0000
Gold—revenue	149 402	193 883	819 417
—costs	101 220	93 594	273 248
—profit	88 182	62 280	248 173
JMS profit	1 548	1 400	6 494
Net sundry income	8 384	8 813	23 225
Profit before taxation and State's share of profit	54 237	70 191	276 891
Provision for taxation and State's share of profit	(8 779)	31 240	100 293
Profit after taxation and State's share of profit	63 018	38 943	173 996
Deduct:			
Appropriation for capital expenditure			77 082
Dividend—interim			50 087
—final			48 287
Retained profit for the year			170
Capital expenditure			
—Total	57 554	18 288	99 821
—Erfdeel Division	40 458	10 641	87 628
Loan from Eastern Gold Holdings Limited—balance	50 849	38 838	80 849
SHAFT SINKING—ERFDEEL DIVISION	metres	metres	metres
Ventilation shaft			
Advance	164.8	230.4	859.4
Depth to date	1 884.9	1 720.1	1 884.9
Station cutting	60.0	48.0	190.7
Main pump station cutting	—	300.8	528.1
Development	972.3	342.2	1 399.3
Main shaft			
Advance	382.6	456.1	1 147.1
Depth to date	1 202.7	820.1	1 202.7
Station cutting	40.9	13.3	54.2

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
HOLDINGS DIVISION							
Basal reef							
Quarter ended September 1983	6 816	684	23.8	107.31	2 554	0.65	15.11
Quarter ended June 1983	6 308	642	29.3	82.63	2 421	0.60	17.53
Year ended September 1983	26 743	2 872	25.8	69.81	1 801	0.46	11.87
Leader reef							
Quarter ended September 1983	2 788	1 150	114.2	4.18	478	0.12	13.99
Quarter ended June 1983	2 617	1 028	127.5	4.68	598	0.18	18.50
Year ended September 1983	10 514	4 290	125.7	4.00	503	0.13	16.12

The development reported does not include development by Free State Geduld Mines Limited in the area under tribute to that company.

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
WELKOM DIVISION							
Basal reef							
Quarter ended September 1983	2 014	422	13.7	52.55	720	1.13	15.47
Quarter ended June 1983	2 508	468	13.3	86.18	691	1.31	10 06
Year ended September 1983	11 266	2 098	15.8	42.59	673	1.04	18.39

"A" reef

During the quarter ended September 1983, 54 metres were advanced. There were no sampling results.

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Leader reef							
Quarter ended September 1983	1 100	654	78.7	4.88	369	0.28	21.76
Quarter ended June 1983	1 105	956	117.6	3 93	482	0.24	27.00
Year ended September 1983	4 730	3 070	110.8	4.20	464	0.24	27.06
SAAIPLAAS DIVISION							
Basal reef							
Quarter ended September 1983	6 668	802	54.4	22.21	1 208	0.48	26.37
Quarter ended June 1983	6 502	936	93.3	19.98	1 064	0.49	24.10
Year ended September 1983	25 498	3 470	62.2	18.39	957	0.36	22.39
"B" reef							
Quarter and year ended September 1983	32	22	169.1	28.47	5 393	0.23	44.12

Undue significance should not be attached to the result of 9 388 cm.g/t. As the sample was only taken over a relatively short distance it cannot be considered representative. Further development is being undertaken to delineate the area of payability.

Leader reef

During the quarter ended September 1983, 9 metres were advanced June 1983: 41 metres, year ended September 1983: 253 metres. There were no sampling results.

ORE RESERVES
(See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1983 ..	013 009	18 179	138 9	9.83	1 337	0.11	14.74
	017 000	18 579	140 2	8 88	1 246	0.11	14.77
	R19 000	20 978	141.3	8.23	1 183	0.10	14 80
June 30 1982 ..	R10 009	13 003	136.4	11.82	1 286	0.11	14.58

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1983 are as follows:

	Dividends No. 96 (Interim)	Dividend No. 97 (Final)
Declared	April 21 1983	October 20 1983
Per share	388 cents	325 cents
Payable to members registered	May 6 1983	November 11 1983
Payment date	June 10 1983	December 15 1983

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1983 for the Holdings, Welkom and Saaiplaas Divisions totalled R3 888 000, while those of the Erfdeel Division amounted to R48 916 000.

For and on behalf of the board
G. LANGTON; G. S. YOUNG; Directors

October 21 1983

JOINT METALLURGICAL SCHEME

	Quarter ended Sept. 1983	Quarter ended June 1983	Year ended Sept. 1983
SUMMARY			
(i) Pyrite flotation plants			
slimes treated—tons	4 654 000	4 388 000	18 251 000
(ii) Uranium plant			
slimes treated—tons	1 171 000	1 088 000	4 193 000
concentrate treated—tons	113 000	110 000	438 000
uranium oxide produced—kg	188 354	174 112	893 086
(iii) Acid plant			
acid produced—tons	80 647	74 131	348 138
(iv) Gold plant			
calcine treated—tons	90 037	87 881	329 593
gold produced—kg	1 005	767	3 560
(v) Profit—R000	15 005	12 078	55 738

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 shares of 50 cents each

	Quarter ended Sept. 1983	Quarter ended June 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	224	310	781
Tons milled—000	1 075	1 004	3 849
Yield—g/t	8.51	7.00	7.00
Production—kg	7 002	7 028	26 940
Cost—R/m² mined	318.23	320.02	339.57
—R/ton milled	66.21	87.12	67.06
—R/kg produced	10 154	9 589	0 878
JMS (See summary)			
Slimes delivered			
Tons 000	732	798	2 744
Head grade			
gold—g/t	0.52	0.39	0 55
uranium—kg/t	0.00	0.07	0 00
sulphur—per cent	0.96	0.96	0.99
PRICE RECEIVED ON SALES			
Gold—R/kg	14 913	14 963	18 420
—$/oz	419	427	436
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	104 951	105 200	412 458
—costs	71 173	67 393	258 108
—profit	33 778	37 907	197 348
JMS profit	1 403	1 482	3 884
Net sundry income	3 200	3 823	14 146
Profit before taxation and State's share of profit	38 540	43 212	177 178
Provision for taxation and State's share of profit	3 637	19 793	60 780
Profit after taxation and State's share of profit	32 742	27 419	118 389
Deduct:			
Appropriation for capital expenditure			68 856
Dividend—interim			25 056
—final			22 446
Retained profit for the year			231
Capital expenditure	24 810	14 558	68 790
Ore milled and treated for President Brand Gold Mining Company Limited—tons 000	—	—	31

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended September 1983	21 081	1 694	89.5	12.03	1 171	0.14	12.88
Quarter ended June 1983 ..	18 783	1 832	97.9	13.23	1 307	0.12	12.90
Year ended September 1983	70 990	8 008	90.9	13.04	1 188	0.14	13.88
Leader reef							
Quarter ended September 1983	579	172	163.6	3.53	577	0.14	22.89
Quarter ended June 1983 ..	539	212	148.7	3.22	482	0.18	22.73
Year ended September 1983	1 614	682	150.3	2.90	436	0.12	18.75
"A" reef							
Quarter ended September 1983	658	220	86.7	4.42	383	0.14	12.49
Quarter ended June 1983 ..	802	94	88.0	10.07	683	0.31	20.97
Year ended September 1983	2 575	504	78.2	8.95	465	0.18	12.59
"B" reef							
Quarter ended September 1983	871	158	128.6	4.50	593	0.03	8.03
Quarter ended June 1983 ..	960	420	138.8	3.08	427	0.04	5 86
Year ended September 1983	4 171	1 142	144.1	3.00	432	0.04	5.50
Elsburg reef							
Quarter ended September 1983	39	12	140.0	1.98	273	0.02	2.20
Quarter ended June 1983 ..	87	28	187.9	0.61	114	0.01	1.59
Year ended September 1983	277	62	165.2	0.16	118	0.01	1.77

The development reported includes development by the company in the areas under tribute from Free State Development and Investment Corporation Limited and Western Holdings Limited.

ORE RESERVES
(See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1983 ..	019 000	8 642	121.5	12.69	1 543	0.00	10.69
	R17 000	9 032	122.8	11.78	1 444	0.09	11 03
	R19 000	10 837	123.9	11.09	1 374	0.14	17.35
June 30 1982 ..	010 000	5 932	123.1	16.14	1 987	0.09	11.59

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1983 are as follows:

	Dividend No. 52 (Interim)	Dividend No. 53 (Final)
Declared	April 21 1983	October 20 1983
Per share	240 cents	215 cents
Payable to members registered	Mae 6 1983	November 11 1983
Payment date	June 10 1983	December 15 1003

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1083 totalled 06 869 000.

For and on behalf of the board
E. P. GUSH; G. S. YOUNG; Directors

October 31 1083

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Sept. 1983	Quarter ended June 1083	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	167	166	850
*Tons milled 000	886	072	3505
Yield—g/t	6.78	8 90	6.87
Production—kg	0 009	6 024	24 081
Cost—R/m² mined	279.57	273.89	274.56
—R/ton milled	52.76	33 30	50.92
—R/kg produced	7 779	7 592	7 411
JMS (See summary)			
Slimes delivered			
Tons 000	906	827	3 130
Head grade			
gold—g/t	0.77	0.73	0.77
uranium—kg/t	0.12	0.13	0.12
sulphur—per cent	0.92	1.02	0.03
PRICE RECEIVED ON SALES			
Gold—R/kg	14 888	14 973	15 485
—$/oz	418	424	436
FINANCIAL RESULTS	R000	R000	P000
Gold—revenue	89 105	91 657	372 940
—costs	46 745	43 733	178 487
—profit	42 360	45 924	194 473
JMS profit	7 128	9 692	23 822
Net sundry income	2 183	2 883	7 373
Dividend from Welkom Gold Mining Company Limited	3 905	—	13 303
Profit before taxation and State's share of profit	37 883	88 499	237 970
Provision for taxation and State's share of profit	13 774	39 427	88 448
Profit after taxation and State's share of profit	42 809	39 073	139 924
Deduct:			
Appropriation for capital expenditure			87 621
Dividend—interim			40 718
—final			30 080
Retained profit for the year			399
Capital expenditure	30 391	11 910	64 724
*Includes ore milled and treated by Free State Geduld Mines Limited: —tons 000	—	—	31
SHAFT SINKING			
No. 2 shaft	Metres	Metres	Metres
Advance	44.6	137.9	440 3
Depth to date	1 643.3	1 259.7	1 645.3
Station cutting	14.3	219.1	1 056.4

Sinking and station cutting were severely curtailed during the quarter while water fissures throughout the shaft were sealed. This work has been successfully completed. The shaft is now dry and sinking is again progressing satisfactorily.

	Metres	Metres	Metres
No. 1A shaft			
Advance	326.2	98 2	424.7
Depth to date	424.7	98.2	424.7

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended September 1983	8 850	534	45.8	44.38	2 042	0.27	12.28
Quarter ended June 1983 ..	7 304	888	50.1	37.17	1 863	0.30	9 90
Year ended September 1983	27 605	2 682	87.1	28.98	1 942	0.18	10.98
Leader reef							
Quarter ended September 1983	2 292	832	03.1	4.53	417	0.11	10.02
Quarter ended June 1983 ..	2 235	760	148.8	4 43	658	0.11	16.59
Year ended September 1983	9 335	3 486	128.1	4.33	553	0.12	15.31
"A" reef							
Quarter ended September 1983	498	138	42.8	11.09	508	0.27	13.53
Quarter ended June 1083 ..	432	210	58.0	8 25	383	0.38	20 93
Year ended September 1983	1 412	942	63.9	8.17	522	0.20	12.89

The development reported includes development by the company in the area under tribute from President Steyn Gold Mining Company Limited.

ORE RESERVES
(See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1083 ..	R15 000	8 641	159.9	11.43	1 826	0 07	11.78
	R17 000	9 852	159 8	10 83	1 897	0.07	11.72
	R10 000	10 607	158.8	9 99	1 584	0.07	11.76
June 30 1902 ..	010 000	6 006	158.4	13.62	3.157	0 07	11.43

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1983 are as follows:

	Dividend No. 56 (Interim)	Dividends No 87 (Final)
Declared	April 21 1983	October 20 1983
Per unit of stock	290 cents	220 cents
Payable to members registered	May 6 1983	November 11 1983
Payment date	June 10 1983	December 15 1083

ACCIDENT AT NO. 3 SHAFT

The installation of the replacement hoist at No 3 shaft after the accident announced in the press on May 28 1983, was completed towards the end of July. The shaft has been fully operational since then and there has been little adverse effect on production.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1983 totalled R33 828 000.

For and on behalf of the board
D. A. ETHEREDGE; G. S. YOUNG; Directors

October 21 1983

PRESIDENT STEYN

President Steyn Gold Mining Company Limited and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

	Quarter ended Sept. 1083	Quarter ended June 1983	Year ended Sept. 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	183	174	713
Tons milled—000	1 038	892	3 980
Yield—g/t	8.88	6.54	6.58
Production—kg	8 893	8 489	38 080
Cost—R/m² mined	277.31	300.95	288.32
—R/ton milled	81.89	52.79	51.65
—R/kg produced	7 762	8 078	7 882
JMS (See summary)			
Slimes delivered			
Tons 000	1 745	1 714	7 684
Head grade			
gold—g/t	0.50	0.60	0.59
uranium—kg/t	0 09	0.09	0.09
sulphur—per cent	0.88	0.83	0.83
PRICE RECEIVED ON SALES			
Gold—R/kg	14 988	14 956	18 366
—$/oz	419	427	435
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	103 938	97 738	401 009
—costs	53 501	52 366	205 573
—profit	50 437	45 372	105 433
JMS profit	4 920	3 403	10 736
Net sundry income	6 208	4 327	20 466
Profit before taxation and State's share of profit	50 865	83 181	335 634
Provision for taxation and State's share of profit	30 303	38 033	113 314
Profit after taxation and State's share of profit	30 262	30 250	118 420
Deduct:			
Appropriation for capital expenditure			38 539
Dividend—interim			40 786
—final			37 144
Decrease in retained profit			48
Capital expenditure	12 297	7 440	38 882

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Basal reef							
Quarter ended September 1983	3 849	584	56.2	20.77	1 567	0.24	13.58
Quarter ended June 1083 ..	4 685	422	63.0	20.79	1 310	0.27	17.16
Year ended September 1983	18 154	1 736	63.7	20.30	1 293	0.22	13.73
Leader reef							
Quarter ended September 1983	304	182	141.5	3.72	527	0.22	31.77
Quarter ended June 1983 ..	148	56	118 6	1.57	183	0.17	20.00
Year ended September 1983	1 054	630	138.7	3.11	831	0.20	28.24
"A" reef							
Quarter ended September 1983	3 577	828	87.8	5.37	467	0.13	11.53
Quarter ended June 1983 ..	2 598	1 390	67 1	7.90	530	0 19	12.90
Year ended September 1983	10 748	4 312	73.8	6.08	448	0.15	11.82

The development reported does not include development by President Brand Gold Mining Company Limited in the area under tribute to that company.

ORE RESERVES
(See note 1)

	Based on gold price per Kg	Tons 000	Stope width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
June 30 1983 ..	R15 000	14 481	158 1	8 82	1 553	0.10	18.24
	R17 000	19 331	158.3	0.48	1 501	0.10	16.14
	R19 000	16 388	159.1	0.10	1 448	0.10	16.32
June 30 1982 ..	R10 000	13 744	188.3	11.13	1 650	0.11	16.30

DIVIDENDS

Details of the dividends declared in respect of the year ended September 30 1883 are as follows:

	Dividend No. 96 (Interim)	Dividend No. 97 (Final)
Declared	April 31 1983	October 20 1983
Per share	250 cents	258 cents
Payable to members registered	May 0 1983	November 11 1893
Payment date	June 10 1983	December 15 1983

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at September 30 1083 totalled R8 972 000.

For and on behalf of the board
G. LANGTON; G. S. YOUNG; Directors

October 21 1983

WELKOM GOLD MINING COMPANY LIMITED

The attention of shareholders is directed to the report of WESTERN HOLDINGS LIMITED.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. ORE RESERVES
   At June 30 1983 ore reserves were estimated at a pay limit based on a gold price of R15 000 (1982: R10 000) a kilogram. Also shown at that date are ore reserve tonnages estimated at pay limits based on gold prices of R17 000 and R19 000 a kilogram to indicate the sensitivity of the ore reserves to gold price variations.
2. DIVIDENDS
   Attention is directed to an announcement published in conjunction herewith, relating to the declaration on Thursday, October 20 1983, of final dividends for the year ended September 30 1983.
3. DEVELOPMENT
   Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:

Charter Consolidated P.L.C., PO Box 102, Charter House Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICES: 40 HOLBORN VIADUCT, EC1P 1AJ

UK NEWS

North Sea industry 'set for shake-out among oil operators'

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil industry is set for a radical change with a new wave of development and a "shake-out" of many licensees, according to a report published yesterday.

Offshore operators need to develop about 60 new oilfields by 1990 if the UK is to remain close to oil self-sufficiency with an output of about 1.5m barrels a day, according to the report's author, Mr Martin Lovegrove, broking and corporate finance executive with stockbrokers James Capel.

"Frankly, I don't think this is achievable," he said, pointing out that so far only 30 oilfields had been declared commercial projects. Much would depend on the future rise in oil prices and improving production technology, he said.

The latest Lovegrove's Guide to Britain's North Sea Oil and Gas forecasts that UK oil production should average 2.24m barrels a day (b/d) this year and decline to 1.68m b/d by 1990. Despite a "mini boom" of development it was unlikely that this decline could be arrested. As a result, by the turn of the century UK production could be in the range of 600,000 b/d to 900,000 b/d.

But this would not mark the end of the UK's experience as a significant oil producer. Mr Lovegrove forecast that "assuredly the UK Continental Shelf will be producing oil in 2050 and beyond, albeit probably at small rates."

At present UK oil and gas production is dominated by a few big companies. From 1975 to 1982 about one third of the country's oil was produced by British Petroleum with a further 20 per cent by the joint Shell/Esso operation. Occidental, Getty and Britoil accounted for a further 17 per cent of the UK's oil output.

Gas production, between 1967 and 1982, was dominated by Shell and Esso (each with 14 per cent), British Gas and Amoco (each with 9 per cent), Amerada Hess (7 per cent) and British Petroleum, Conoco and Britoil (each with 6 per cent).

An assessment of recoverable reserves shows that this pattern is likely to continue (see tables below). Mr Lovegrove said this raised a question about the future existence of many small exploration interests in the North Sea.

At present there were some 300 licensees. Of these, only 60 companies had a stake in producing fields and barely 25 were net payers of taxation able to make maximum use of tax credits in future developments.

It was now costing companies between $9.50 and $12.50 per barrel of recoverable reserves to exploit new fields. When financing costs were taken into consideration, the total development cost could work out at $18 – $24 a barrel. Many small companies without the benefit of tax shelters would not be able to afford to continue with exploration and development.

As a result, he believed there would be a "major shake-out" of companies arising from producing companies buying unsuccessful explorers, mergers, licensees – particularly new entrants in the seventh round of concessions – "fading out" of the scene, and bankruptcies.

Mr Lovegrove said that some independent companies which had blossomed as a result of a single commercial discovery were now having to work "30 times harder" to maintain income by finding new fields.

Lovegrove's Guide to Britain's North Sea Oil and Gas; Energy Publications, PO Box 147, Cambridge CB1 1NY; £30.

PRINCIPAL OWNERS OF UK OIL RESERVES

	No of fields*	Remaining net reserves (m barrels)	% share of total
British Petroleum	6	1,750	18.10
Esso	10	1,556	16.10
Shell	10	1,556	16.10
Britoil	13	795	8.20
Mobil	5	385	3.98
Gulf	5	306	3.16
Conoco	5	305	3.16
Amerada Hess	6	202	2.09
British Gas	6	176	1.82
Texas Eastern	6	169	1.75
Others (82)	n/a	2,469	25.54
Total	40	9,667	100.00

* Fields in production, under development and under appraisal

Source: James Capel & Co

PRINCIPAL OWNERS OF UK GAS RESERVES

	No. of fields*	Remaining net reserves (bn cu ft)	% share of total
British Gas	7	6,364	22.05
Esso	7	3,291	11.40
Shell	7	3,291	11.40
Britoil	11	2,441	8.46
British Petroleum	6	1,967	6.82
Elf Aquitaine	2	1,943	6.73
Conoco	6	1,439	4.99
Amoco	5	1,115	3.86
Total Oil Marine	2	971	3.36
Amerada Hess	5	834	2.89
Others (40)	NA	5,208	18.04
Total	31	28,862	100.00

* Fields in production, under development and under appraisal

Source: James Capel & Co

Rationalisation of car market 'not over'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

DR JIM MAXMIN, until recently managing director of Volvo Concessionaires, has predicted that the UK car market will be forced into further rationalisation because it is so short of cash.

Speaking at a meeting associated with Motorfair in London, he predicted that BL's market share would slip from around 18 per cent of the market to between 12 per cent and 15 per cent in the period from the mid-1980s onwards; that Japanese manufacturers would continue to hold on to between 10 per cent and 11 per cent; and that Volkswagen-Audi, Peugeot, Citroën-Talbot, Renault and Volvo would each stabilise at 4 per cent to 8 per cent. The rest would be "also-rans."

But Dr Maxmin, whose forecasting of UK market trends is regarded as reliable, saw the main battle as between General Motors and Ford.

GM will "sacrifice profit, dealers, practically anything" to push its market share in Britain up to between 20 and 25 per cent, he said.

The reason? "If GM 'knocks out' Ford in Britain, it would inflict substantial damage on the Ford group as a whole."

He pointed out that the GM-Ford battle currently raged across the whole of Europe – although Britain and Spain were the key areas – "and many European companies will be caught in the wash."

European manufacturers had the capacity to produce 2m more cars than were currently demanded, he said. They had invested heavily to catch up with the Americans and Japanese, but found they could not recoup the investment.

"Eventually the Europeans will get together and formulate a European policy such as we have seen for the steel and shipbuilding industries – and there will be a planned reduction in capacity," he suggested.

Dr Maxmin, who recently moved to Thorn EMI Television Rentals as managing director, said BL's cash problems would continue, and if Jaguar was floated off as an independent concern it would eventually run into cash difficulties of its own.

Referring to Jaguar's output of 28,500 this year, he maintained: "You can't do 28,000 of any product in today's conditions. It has to be only 500 or at least 500,000, nothing in between."

He suggested that both Jaguar and Rolls-Royce, along with some other European groups, were relying too heavily on profit from the U.S. market. If the value of the dollar collapsed, they would suffer badly.

In any case, "Rolls-Royce is not a long-term player" in the industry.

GM would be the one U.S. "survivor" as the industry contracts, said Dr Maxmin. Chrysler would go out of business. Ford would link with Toyo Kogyo, the Mazda group, in which it already has a 25 per cent shareholding.

The smaller Japanese companies would be swallowed up or converted by the Japanese trading houses to making high-technology products outside the motor industry.

In Europe, Daimler-Benz, the Mercedes group, seemed secure because of its trucks operations, BMW would hit a cash crisis and possibly be bought; Volkswagen-Audi "is facing an abyss. It should have the management to cope but still might be brought down by problems in Brazil or the U.S."

The Peugeot group would probably contract and get much more heavily involved in joint arrangements with Renault. Fiat would probably link with the French.

Alfa Romeo, already owned by the Italian Government, would develop closer ties with the Japanese, he forecast.

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Pace of private sector bank lending eases

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RATE of new bank lending to the private sector dropped back to £880m in September compared with £1.1bn in August, according to the latest Bank of England figures.

The Bank believes that the underlying increase may have been smaller because some £300m of intrest was charged earlier than usual, and this was not allowed for in the seasonal adjustment of the figures.

Yesterday's figures confirmed that the growth of the money supply since February has been brought much closer to the Government's target of an annual growth rate of between 7 and 11 per cent.

Sterling M3 (the broad measure of money, which includes bank deposits as well as notes and coin) fell by 0.4 per cent in the month, largely as a result of the very heavy funding effort by the Government.

Sales of government stock in September reached £1.75bn and total purchases of government debt, including National Savings Certificates, were £2.2bn. This brings the total funding of government debt in the six months to September to £6.46bn, compared with a Public Sector Borrowing Requirement (PSBR) for the period of £7bn.

This large-scale funding has brought the growth of sterling M3 in the seven months since February down to the equivalent of an annual rate of 9.7 per cent, the first time that it has been on target this year.

In the same period, M1, the narrow measure of money which includes those bank deposits which can be withdrawn without notice, grew by 13.1 per cent. Private Sector Liquidity 2, the widest measure, which includes deposits with building societies, grew by 11.6 per cent.

● Consumer spending increased by about ½ per cent in the third quarter of this year compared with the second quarter, largely as a result of the high level of spending on new cars in August, the first month of the new vehicle registration year.

Figures published by the Central Statistical Office yesterday show that consumer expenditure reached £36.1bn in the third quarter, at 1980 prices seasonally adjusted, compard with £35.9bn in the second quarter and £35.4bn in the first quarter.

Consumer spending has been buoyant all year, and the third quarter figures are about 3½ per cent higher than those for the third quarter of last year. The combined figures for the first three quarters of 1983 are 4 per cent higher than the first three quarters of 1982. But the effect of imports would need to be discounted before a true picture of British industrial revival emerged.

In addition to the high volume of new car sales in August a greater consumption of beer contributed to the third quarter growth, while retail sales advanced over the second quarter level. Spending on food and on fuel and power, which was unusually high in the second quarter, fell back in the third quarter.

LORD MAYOR'S DINNER IN LONDON

Confidence in monetary policy growing, says Bank Governor

BY DAVID LASCELLES AND JOHN MOORE

MR Robin Leigh-Pemberton, Governor of the Bank of England, said last night that there was now a high degree of confidence in the steadfastness of UK monetary policy.

But he gave a warning in his speech to the Lord Mayor's dinner for merchants and bankers in London that there could be no automatic rules, because the link between money supply movements and the national income was so hard to predict.

He said the bank would continue to use its judgment in interpreting the money supply, apparently cautioning the financial markets against assuming that the new measure announced by the Chancellor of the Exchequer meant that the implementaton of monetary policy would become more automatic.

It was Mr Leigh-Pemberton's first major speech since taking office as Governor of the Bank. He pointedly steered clear of controversy, but he said that any reforms to the Stock Exchange, which the bank is monitoring closely, should preserve investor safeguards and assure a central market.

He also called for "a more conscious collaboration between nations on exchange rates" of the kind the major nations committed themselves to at last May's summit in Williamsburg in the U.S.

On the Third World debt problem, Mr Leigh-Pemberton said a final and durable solution "may take a number of years to achieve," and would require progress on three fronts:

● Further adjustment by the less developed countries, under IMF auspices if needed.

● Sustained non-inflationary growth in the industrial countries to expand the debtors' export markets and enable them to earn more foreign currency.

● Further finance from both the international institutions and the world's capital markets.

He specifically emphasised the need for more non-bank finance, notably a bigger flow of private investment into developing countries. Not only was this kind of finance highly suitable for development, he said. It was related directly to the growth of the productive sector of developing economies and was more likely to be commercially effective.

● The future structure of the British securities market "must be planned with great care," Sir Nicholas Goodison, chairman of the London Stock Exchange said.

Sir Nicholas was speaking against a background of contemplated reforms in the stock market following an agreement with the Government which would exempt the Stock Exchange from restrictive practices legislation.

"The future will be neither a tragedy nor a comedy of errors but a successful and long running play." He said. "The critics, I observe are writing their notices before the curtain even rises. With that "total confidence peculiar to their species" they were forecasting that the introduction of negotiated commissions would lead "to radical changes in the membership of the Stock Exchange, to a dominant presence in the UK securities market of banks and of U.S. and other foreign houses, to the undermining of our voluntary compensation and so on. Others, perhaps nearer the mark, have said that one result of negotiated rates might be relatively small and less powerful investors might have to pay more for the services they receive."

Not one of the forecasts and guesses was new.

Government to give mergers guidance

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MR ALEX FLETCHER, Minister for Corporate and Consumer Affairs, yesterday promised that the Government would give as much guidance as possible on its merger policy in particular cases. In addition, Mr Fletcher promised that, in future, "brief reasons for decisions" would be given.

Mr Fletcher was speaking at the Financial Times conference on merger policy held in London. His comments were aimed at defusing some of the criticisms of the Government's merger policy in advance of the internal Whitehall review of the policy which is nearing completion.

This review is likely to clarify some of the guidelines for merger policy, rather than suggest a radical shift in direction in official policy towards takeovers.

Mr Fletcher told the cooference that some misunderstanding had arisen in recent years about the Government choosing to "meddle" in merger decisions. "I think there is a genuine confusion here," be said.

The decision on whether or not a merger should be referred to the Monopolies and Mergers Commission rests solely with the Secretary of State, be said. The Director General of Fair Trading's role is in analysing each case and making a recommendation – something he is statutorily obliged to do under the 1973 Fair Trading Act.

"In most cases, Ministers will follow the director's advice," he said. "But Parliament bas left the final decision to the Secretary of State, and ultimately Ministers have no option but to weigh the issues for themselves."

However, Mr Fletcher acknowledged that "complete predictability is not achievable with such a system." Yet he also suggested that this was not necessarily desirable since "the essence of the system is flexibility."

Mr Fletcher said he was "concerned that a pattern should develop and be traceable, and that the decisions taken at any one time should not be regarded as unpredictable and capricious."

He added: "It is the Government's intention to give as much guidance as possible to the market on the policy in particular cases, for example by giving brief reasons for decisions."

But companies could also help themselves in the matter of guidance, he suggested. The procedure for the OFT giving confidential advice as to whether or not mergers were likely to be referred, gave clear guidance in three-quarters of the cases brought to the OFT

Price rises to recover BP loss on plastics

By Carla Rapoport

BP CHEMICALS is to increase prices for three of its major plastics, saying it needs to recoup "massive losses" incurred in plastics during the last few years.

BP, along with other major companies in the sector, has been increasingly successful in recent months in getting higher prices for plastics. None the less, companies stress that new price increases are necessary even though raw material costs have stabilised.

The increases from BP will mean higher prices for rubbisb-bin liners and other packing materials. BP intends to raise the price of low density polyethylene (LDPE) by £50 per tonne, an increase of about 8 per cent.

Prices for high density polyethylene, mainly used for industrial plastic mouldings, and linear low density polyethylene, a thinner stronger plastic, will go up by £25 a tonne, or by about 4 per cent.

It is understood that Esso Chemicals has already increased its LDPE prices by about £50 per tonne. Shell Chemicals, another major producer of thermoplastics, is also considering a price rise for these plastics.

Nissan chief 'no longer opposes plant in UK'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MR KATSUJI KAWAMATA, chairman of Nissan, the Japanese motor group, has dropped his reservations about building a car plant in Britain, according to reports from Tokyo.

His apparent change of mind appears to remove a major obstacle to the project, which was originally expected to be approved in 1981. However, Mr Ichiro Shioji, the influential leader of Nissan's union, remains implacably opposed to a British venture.

Reuter reported from Tokyo yesterday that a Nissan spokesman said Mr Kawamata "could no longer insist on his personal views" about the UK project.

The spokesman recalled that Mr Kawamata had disagreed with Nissan's president, Mr Takashi Ishihara, about the plan – originally for a £200m facility to produce 200,000 cars a year.

Persistent rumours in both Britain and Japan have suggested that Nissan is now considering a much more modest investment and scale of production.

The Nissan spokesman said it was still the company's intention to come to a decision before the end of this year. "The union is expressing opposition to the project and we are still consulting with it."

Mr Shioji's reservations about investing in Britain are based largely on the conviction that Nissan should first concentrate on setting up car production in the U.S.

His Federation of Japan Automobile Workers Unions, representing about 230,000 employees of Nissan and its affiliates, believes the British project would make big losses for many years.

NRDC profit falls sharply to £2.3m

BY GUY DE JONQUIERES

PRE-TAX profit of the National Research Development Corporation (NRDC), which is due to become the core of the future business of the British Technology Group (BTG), fell sharply to £2.3m in the year to March 31 from £10.4m, the previous year.

BTG also said yesterday that it expected the Government to name within weeks a successor to Sir Frederick Wood, its present chairman. It is understood that n candidate has been selected from private industry, but his appointment awaits approval by Mrs Margaret Thatcher, the Prime Minister.

The NRDC's profit fell despite an increase in its total income to £27.4m (£26.2m). BTG said the drop was due to amortisation of investments made by the NRDC three years ago, and to the termination of more than 200 projects which it had backed.

It forecast that the NRDC's total income would fall by £7m–£10m during the present financial year, as some of its most valuable patents expired. The NRDC holds about 6,600 patents, and licence revenues provided income of £25.2m last year.

BTG's new chairman, who is expected to serve on a part-time basis, will be responsible for ending the organisation's corporate investment activities, and concentrating its future effort on assisting the transfer of technology from the laboratory to the market.

The Government has directed the BTG to speed up the sale of investments made by its National Enterprise Board (NEB) arm. It has also stripped the NRDC of its long-standing monopoly over inventions developed in Government laboratories and research institutions.

BTG holds investments in about 60 companies, the biggest of which is Inmos, the UK microchip manufacturer. It bas been seeking for several months to inject private capital into Inmos, either through a stock market flotation or through an investment by a private industrial partner.

Decisions have still to be taken on BTG's future legal structure and its financing. It is not yet known whether it will be permitted to retain any of the proceeds of future investment disposals.

Solicitors' EEC call

BY RAYMOND HUGHES IN PARIS

ENGLISH SOLICITORS were yesterday urged to wake up to the opportunities offered to them by Britain's membership of the Common Market.

Speaking at o Law Society annual conference in Paris – the first outside the UK – the Society's president, Mr Christopher Hewetson, said that the profession had to "grasp the European dimension" and play its part on the large stage.

The Solicitors' European Group must cease to be a lone voice crying in the wilderness striving to educate the profession to take European matters seriously, he said.

More and more, Community law was affecting commercial and other clients of solicitors throughout the UK, said Mr Hewetson.

"Provincial solicitors can hardly complain if their commercial clients desert them for lack of competent advice on European Community law," he warned.

Mr Hewetson also urged the solicitors to take a lead in promoting racial harmony and integration. Their profession, he said, would be the poorer if it did not adequately reflect the racial mix of the Community it served.

Firms in areas with a high proportion of non-white residents should have non-white solicitors with an understanding of the different cultures and languages of their clients.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Space surplus and scandal give Dutch real estate a bad time

IN AN ACT of breathtaking contempt for a property market which has been knocked off its feet by a shortage of tenants and an oversupply of local scandal, one of Holland's biggest speculative office schemes was officially opened this week.

Few property people would argue with the Minister of Economic Affairs, brought in to do the opening honours and to make some appropriately confident remarks, that the Atlas centre in Amsterdam's south-east district is a bold gesture of faith in Holland's economic future.

But most of the guests attending the ceremony could be forgiven if their enthusiasm was less than wholehearted. Certainly, few of them would have been surprised to hear that no tenants have yet signed on the line.

Atlas is being developed by PGGM—the medical workers' pension fund recently making the headlines with its determined bid for property group Wereledhave. The scheme's completion early next year will add 700,000 square metres of new space to the market at a time when empty offices seem as plentiful as Amsterdam's squatters while tenants remain as elusive as canal-side parking spaces.

As for the other headlines, they began the year with allegations of fraud involving employees of one of the country's biggest banks and look set to end it with further alleged frauds surrounding Holland's largest pension fund. In most of the unfolding dramas, commercial property appears to have been an essential ingredient in the plot.

Given the current climate, the Atlas scheme seems all the more remarkable. It is true that the project was started before the latest troubles, though not before the market had started to turn sour, but in a move which is arguably inspired or insane PGGM has pressed on and effectively developed the centre in one defiant phase.

Glut

Apparently unmoved by the glut of space which hangs over the whole office market or by the prospect that, together with immediately surrounding schemes, the Atlas centre will push another 250,000 square metres on to the stockpile, the developers have stuck to their guns.

The agents handed the task of finding customers prepared to pay Fl250 a square metre are enthusiastic but realistic. Frans Bemelmans of Zadelhoff, reckons this year's take-up of space in the greater Amsterdam area will be no higher than 60,000 square metres, barely half the level being achieved four years ago.

At the same time, he estimates that between 100,000-150,000 square metres of office space is now available (though not necessarily openly on the market) for anyone who is interested.

PGGM are clearly not alone in believing they have chosen the right spot, though their thoughts on the wisdom of timing might not be quite so clearcut. On the other side of the metro and railway lines, close to Amro's new headquarters at Bijlmermeer, the 40,000 square metres Nieuw Amsterdam office scheme—an ABN-Nationale Nederlanden joint venture—is underway.

Also nearby is the phased Holendrecht scheme, being developed by Westland Utrecht, which intends to occupy about 9,000 sq m of the space it is creating. For good measure, nearly 50,000 sq m of shops are about to be built alongside Nieuw Amsterdam by Nederlandse Middenstans Bank while—just to make things even more competitive—the spring of 1985 will see the completion of the 50,000 sq m world trade centre just a short drive away to the west and in one of the best available development locations. Here at least, tenants have been taking an interest and Jones Lang Wootton says about 20 per cent of the space has been pre-let in smallish chunks.

But although people like Pierre Reuchlin at Ellis are quick to concede the full extent of the enormous oversupply now dragging the market down, they believe the south west has firmly established itself as the area's undisputed office centre, a position which will be consolidated in the future.

The wave of development now underway clearly reflects decisions taken some time ago and there will inevitably be an oversupply in the medium-term. But the same was once true of the Amstelveen district, now firmly established and as full as the current market will permit.

It is, unfortunately, not so easy to predict the future for the office market in the heart of Amsterdam, which once led the field but now lags behind. In stark contrast to many major international property markets, Amsterdam's city centre appears to be the weak spot, with the fringe areas offering signs of improvement and some hopes for an early revival.

For if the state of health of the city centre property market reflects the country's wider economic difficulties, it also has its own longstanding problems which have compounded its present plight. The restrictions on all forms of development, together with years of open warfare between the City fathers and the motor car have contrived to force office occupiers away from the locations where their natural inclination would have kept them.

It will take more than a new chief executive at City Hall, however, to inject new life into the central office market. Indeed, the City itself will soon be adding to the market's problems when it vacates numerous buildings scattered around the central district and takes up residence in its new headquarters in Waterlooplein, due for completion in 1985.

The historic and attractive canal houses, once sought after by eager tenants prepared to pay a premium for the privilege of such an address, have begun to look increasingly anachronistic in the age of the "high-tech" office. There is no question that they will continue to provide all-important city centre addresses for the financial community, though it is tempting to suggest that some occupiers could hardly contemplate a move even if they wanted to, given the huge costs involved in original acquisition and development.

Many of the canal-side properties which the banks do not occupy are nevertheless now in their ownership, a legacy of the shake-out which saw numerous small speculators fail. The prospects for large numbers of such buildings now look more uncertain than ever.

Even space in new schemes is proving hard to move. The 5,000 sq m office development on the site of the ill-fated Hotel Polen has been finished for over a year is not yet full. Asking rents have been in the region of Fl 275 a sq m and around Fl 240-250 a sq m have been achieved. The chances of any significant rental growth seem remote, not least because of the spate of decentralised office schemes planned or underway.

The picture is not one of unrelieved gloom, however, and Jones Lang Wootton reports reasonable demand for space in the most prestigeous canal locations and in the small number of modern, central office buildings. Richard Ellis, for example, has just arranged a 7,000 sq m inner city letting (big in the current market) to a bank at a rent nudging Fl 200 a sq m.

In the retail property sector, rents now appear to have stabilised after a nail-biting period in which they fell away by anything up to 25 per cent on average. In the Kalverstraat, for example, they collapsed from Fl 1,500 a sq m to Fl 1,100 a sq m before levelling out. There are now some signs of localised rental growth and the chain stores—despite poor levels of consumer spending—do not hesitate to snap up a prime High Street location if and when it becomes available.

Not surprisingly, the biggest black spot of all involves the industrial property sector, where demand remains weak and supply remains plentiful. Decisions like those of Nissan to take 200,000 sq m of warehousing space in Amsterdam's harbour area—still reeling from the shock of Ford's withdrawal—are few and far between and most letting activity has involved floor areas a mere fraction of that size.

The property investment market has reacted predictably enough to the present climate—by lying fairly low and becoming increasingly selective. Local institutional interest has been largely concentrated on The Hague and Utrecht, where markets have appeared more resilient and performed better. Ellis has just let a 9,000 sq m office building owned by BOZ, daughter company to Nationale Nederlanden, at Koningen Wilhelminalaan, Utrecht, and not due for completion until early 1985. A rent of Fl 250 a sq m is being paid by the tenant, Stichting Verenigde Spaar Bank.

Most agents now believe property in Holland to be cheap, though there is no shortage of interest among cash-heavy institutions for good investments. Foreign investors, they say, could do worse than to take a good look around.

As to how long purchasers may have to wait before the wisdom of their foresight is confirmed with the return of growth market, the pundits are not quite so sure.

Trust in Stockley Park deal

TRUST Securities has exchanged contracts to purchase the 25-acre chunk of land owned by Costain Property Developments and located in the heart of the proposed Stockley Park development project, two miles from Heathrow airport.

The deal leaves Trust Securities with ownership of nearly all the land included in phase one of the scheme, which will provide over 1.5m sq ft. of commercial floorspace within a district park. It has also been agreed that Trust Securities will enter into a management contract with Costain in respect of 200,000 sq ft of commercial space and that further phases will be the subject of additional talks.

● In one of Bristol's largest lettings in recent years, Welbeck Finance is to occupy the whole of Bond Street House, the 60,000 sq ft office building in the heart of the city. The scheme has just been completed by the Needs Group and Welbeck, advised by Fletcher King, have paid a rent equating to £6.50 a sq ft, the asking price. Edward T. Parker and Hartnell Taylor Cook acted for the developer.

UK NEWS

WINCOTT MEMORIAL LECTURE

State institutions taken to task for 'stifling' competition

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

MANY government institutions established to promote free competition have instead asphyxiated economic freedoms, Professor Arthur Shenfield, the economist said in London yesterday in presenting the 14th Wincott Memorial Lecture.

Professor Shenfield, a former economics director of the Confederation of British Industry who has a chair in economics at several U.S. universities, said the regulation of the economy could be regarded in some ways like rules for a football game.

Rules were necessary and acceptable as long as they were objective and fairly applied. Sometimes, however, the referee might have discretion whether or not to enforce them.

"In some situations we may become uneasy about this, since a rule of the game which gives the rule-enforcer a discretion not to enforce the rules is in danger of diverting itself from the true principle of government by rule rather than by arbitrary action.

"Suppose, however, that in search of perfection the rules greatly increase the numbers and types of acts which are impermissible. Then the referee will be blowing his whistle every other minute and the game will be spoiled.

"So, too, if we seek to fashion our framework of law for economic activity in excessive detail in order to take care of every foreseeable eventuality or every possible mishap, we may pile so much complexity upon complexity that our economic activity may seize up.

> ❛ Competition, or more properly stated, the freedom to compete, is the flywheel of the free economy, the very expression of its spirit and both a cause and a result of its successful operation ❜

The prevailing view among free-market economists in Britain and on the Continent, said Professor Shenfield, was that competition law was a proper and necessary part of government's activities for ensuring that the economy functioned efficiently.

However, in the U.S. where anti-trust legislation has been much more extensively applied, he said the wind of opinion had begun to blow in the other direction.

"Among the most influential free-market economists the view has gained strength that anti-trust is at best unnecessary and at worst harmful."

He added: "It is a very long time since the U.S. was the land of free enterprise which most Britons imagine it to be. Given the immense range of governmental regulation, it cannot be. But, while all or most of other forms of regulation obviously militate against competition, anti-trust is supposed to force American business to be competitive. Unfortunately, the extent to which it does so is minor. The extent to which it joins other forms of regulation in militating against competition is major.

At first sight, he said it seemed convincing that the law should seek to protect competition and to inhibit monopoly, "for competition, or more properly stated, the freedom to compete, is the flywheel of the free economy, the very expression of its spirit and both a cause and a result of its successful operation."

In practice, however, he said the operation of competition policies could be very different.

There was a major misconception that the "success" of the U.S. economy was the result of its anti-trust legislation. U.S. business had been displaying its "vim and rigour" and the spirit of free enterprise long before the first anti-trust legislation came into being.

For two or three decades after 1890, when American business continued to display its wonted virility, anti-trust was not enforced with any great determination, or breadth or depth of application. Now that it has been enforced powerfully and intrusively, penetrating deep and wide, for a good many years, American business is widely considered in America itself to have lost much of its former virility.

There was often a major inconsistency, Professor Shenfield went on, between governments' efforts to legislate to protect free competition in their domestic markets and their attitudes to international trade.

So called voluntary trade restrictions against Japanese car imports and the Multi-Fibre Arrangement for restricting the imports of cheap textiles as well as the steel cartel enforced by the EEC Commission were all examples.

"Thus we swallow immense camels bred and reared by ourselves and strain at a few gnats with our anti-trust."

An even more important question was whether anti-trust legislation was effective even within its own terms. In general, Professor Shenfield said, the effectiveness was greatly over-estimated while anti-trust legislation itself created undesirable side effects.

One of these was the intrusion of pressure groups, which multiplied and increased in power the more the government interfered in the free working of the market economy. The growth of these sectional interests, perpetually putting pressure on the government was, he said, one of the major causes of governmental failures.

Another effect was that a mythology of the evils of bigness had grown up. This often obscured the precise considerations which should be applied to the questions of whether a monopoly, or an oligopoly existed — and whether it was against the public interest.

Professor Shenfield gave the example of John D. Rockefeller the American oil magnate who, he said, had been the butt of more opprobrium than any of the "alleged robber barons who are supposed to have ruled the roost in the so-called gilded age."

It was now becoming clearer, that Rockefeller had not been guilty of predatory pricing and many of the other anti-competitive practices that he was commonly thought to have engaged in at the turn of the century, Professor Shenfield argued.

He conceded that Rockefeller was correctly found guilty in 1911 under the U.S. Sherman Act Section 2, but his transgression had nothing to do with moral failings or objectionable business behaviour.

"He did seek an ever-growing share of the market approaching monopoly, by the acquisition of other firms (on terms generally fair and often generous), and under the plain terms of the Act this was unlawful. But did this harm the public? Undoubtedly not. His success was based on super-normal efficiency, not on monopolistic exploitation of the public."

Even before the case against him in 1911, the days of Rockefeller's empire were numbered, Professor Shenfield said. New competitors were arising from the oil fields of Texas, Louisiana and California, while the arteries of Rockefeller's Standard Oil had begun to harden.

More generally, Professor Shenfield argued, competitive forces could eventually be expected to erode a monopoly when it no longer provided an efficient service to its customers.

Big business remains big as long as it is more efficient than others, which sooner or later it ceases to be. When it is big, the people benefit from its efficiency; and when its efficiency declines, they benefit from the efficiency of those who erode its bigness.

"Of course, the public finds this hard to believe. It is told that oligopolists can erect barriers to entry, can ignore price competition in favour of competition in alleged frills and can brainwash the consumer into buying what he does not need or truly desire by massive advertising. All these propositions fail the tests of the clear story of the ups and downs of business life, including Big business life. It is the public's own anti-business mentors who do the brainwashing."

> ❛ Big business remains big as long as it is more efficient than others. When it is big, the people benefit from its efficiency; when its efficiency declines, they benefit from the efficiency of those who erode its bigness ❜

Even the best High Court judges had shown in anti-trust cases that they had been confused on the question of whether bigness was to be equated with badness. This had led to a number of wrong decisions by them.

"The use of indices of concentration, coupled with narrow definitions of industries, produces criteria for public policy so misleading as to inhibit, not promote, competitive behaviour. Mention the magic word oligopoly, having first established a high index of concentration, and quasi-monopolistic power is attributed to companies which in fact live in a whirlwind of competition.

"The use of narrow definitions of industries in order to find oligopoly may once have had some link with reality, but in our time has become gravely misleading."

In fact, he said, laws intended to promote free competition had often had the opposite effect of shielding smaller firms from the competition of larger companies.

Professor Shenfield concluded: "No one is entitled to say that he stands for competition if he is not devoting himself to our liberation from the powerful public institutions and policies in Britain—and in the EEC, as long as we belong to it—which go far to asphyxiate our economic freedom. To plead in defence a support for anti-trust is to make a mockery of our duty."

Myth and Reality in Anti-Trust Fourteenth Wincott Memorial Lecture by Arthur Shenfield—Institute of Economic Affairs, 2, Lord North Street, London, SW1. £1.

Transvaal

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Reports of the Directors for the quarter ended September 30 1983

WESTERN DEEP LEVELS

Western Deep Levels Limited

ISSUED CAPITAL: 25 550 000 shares of R2 each

	Quarter ended Sept 1983	Quarter ended June 1983	Nine months ended Sept 1963
OPERATING RESULTS			
Gold			
Area mined—m² 000	198	183	565
Tons milled—000	915	902	2 651
Yield—g/t	11.31	10.70	11.12
Production—kg	10.349	9 651	20 467
Cost—R/m² mined	300.82	315.70	312.86
—R/ton milled	54.85	64.36	58.63
—R/kg produced	5 733	6 015	6 998
Uranium Oxide			
Tons treated—000	498	476	1 442
Yield—kg/t	0.10	0.09	0.09
Production—kg	48 481	42 430	133 481
PRICE RECEIVED ON SALES			
Gold—R/kg	14 924	14 998	18 372
—$/oz	419	427	437
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	124 312	145 090	451 066
—costs	59 335	58 052	176 642
—profit	84 977	87 038	274 404
Uranium oxide profit	527	390	1 620
Net sundry income	4 741	2 453	13 970
Profit before taxation and State's share of profit	100 248	69 889	289 002
Provision for taxation and State's share of profit	36 038	32 464	119 980
Profit after taxation and State's share of profit	84 207	57 425	169 614
Deduct:			
Appropriation for the first six months:			
Capital expenditure			47 308
Dividend—interim			53 655
Retained profit for the nine months ..			68 150
Capital expenditure	35 068	34 135	88 993
SHAFT SINKING	metres	metres	metres
No. 1 main shaft			
Advance	301	210	679
Depth to date	1 727	1 428	1 727
Station cutting	62	32	136
No. 1 service shaft			
Advance	25	61	143
Depth to date	1 115	1 006	1 113
Station cutting	392	175	596

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Carbon Leader							
Quarter ended Sept 1983 ..	9 271	98	41.2	60.02	2 473	0.73	30.10
Quarter ended June 1983 ..	0 967	56	49.0	34.31	1 681	6.35	17.21
Nine months ended Sept 1983 ..	26 690	100	38.9	53.55	2 083	0.60	23.30
V.C.R.							
Quarter ended Sept 1983 ..	4 588	130	38.5	31.25	1 230	—	—
Quarter ended June 1983 ..	3 392	14	72.4	45.84	3 319	—	—
Nine months ended Sept 1983 ..	16 802	220	46.3	30.04	1 361	—	—

DIVIDEND
The interim dividend of 210 cents a share in respect of the year ending December 31 1983 was declared on July 21 1983, payable to members registered on August 12 1983 and was paid on September 15 1983.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at September 30 1983 totalled R81 022 988.

For and on behalf of the board
W. R. LAWRIE } Directors
E. P. GUSH }

October 21 1983

ELANDSRAND

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL: 96 619 925 shares of 26 cents each

	Quarter ended Sept 1983	Quarter ended June 1983	Nine months ended Sept 1983
OPERATING RESULTS			
Gold			
Area mined—m² 000	80	61	245
Tons milled—000	450	445	1 302
Yield—g/t	5.52	5.90	5.77
Production—kg	2 484	2 626	7 511
Cost—R/m² mined	243.64	246 83	250.62
—R/ton milled	48.21	45.08	47.25
—R/kg produced	8 735	7 640	0 192
PRICE RECEIVED ON SALES			
Gold—R/kg	14 963	14 973	15 446
—$/oz	420	420	441
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	37 278	39 876	116 590
—costs	21 897	20 082	61 524
—profit	10 581	19 513	50 075
Net sundry income	2 976	2 521	8 561
Profit	18 557	22 034	83 636
Deduct:			
Appropriation for the first six months:			
Capital expenditure			16 000
Dividend—interim			19 324
Retained profit for the nine months			26 332
Capital expenditure	18 022	11 218	33 161
SHAFT SINKING	metres	metres	metres
Sub-Vertical rock/service shaft			
Advance	28.0	88.6	207.0
Depth to date	758.0	731.0	759.0
Station cutting	738	571	2 102
Sub-vertical ventilation shaft			
Headgear portion completed—36.0			
Advance	125.3	130.0	271.8
Depth to date	271.6	146.5	271.6
Station cutting	48	110	159

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
V.C.R.					
Quarter ended September 1983	3 523	1 458	83.4	14.25	1 274
Quarter ended June 1983	8 676	1 494	88.6	13.89	1 231
Nine months ended September 1983	25 600	4 284	88.4	13 36	1 161

DIVIDEND
The interim dividend of 30 cents a share in respect of the year ending December 31 1983 was declared on July 21 1983, payable to members registered on August 12 1983 and was paid on September 16 1983.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at September 30 1983 totalled R9 544 000.

CAPITAL EXPENDITURE
It is now estimated that capital expenditure for the financial year will total R52 million (previously R57 million) because of the deferment of certain items.

For and on behalf of the board
G. LANGTON }
W. R. LAWRIE } Directors

October 21 1983

S.A. LAND

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 8 182 700 shares of 38 cents each

	Quarter ended Sept 1983	Quarter ended June 1983	Nine months ended Sept 1983
OPERATING RESULTS			
Gold			
Tons milled—000	518	508	1 576
Yield—g/t	0.7A	0.69	0.74
Production—kg	384	340	1 173
Production, transport and screening costs			
—R/ton milled	7.54	7.16	7.34
—R/kg produced	10 193	10 341	9 724
PRICE RECEIVED ON SALES			
Gold—R/kg	14 859	14 963	13 272
—$/oz	418	424	438
FINANCIAL RESULTS	R000	R006	R600
Gold—revenue	5 694	5 257	17 910
—production costs	2 557	2 364	7 203
—transport and screening costs ..	1 357	1 245	4 263
	1 780	1 640	8 504
Less cost of dump material	1 057	1 028	3 592
Gold profit	723	620	2 612
Net sundry revenue	249	425	1 312
Profit before taxation	1 112	1 065	3 924
Taxation—estimated	65	(91)	155
Profit after taxation	1 067	1 136	3 768
Deduct:			
Dividend—interim			2 756
Transfer from Reserve			34
Retained profit for the nine months..			1 047
Capital expenditure	576	1 657	3 593

DIVIDEND
The interim dividend of 30 cents a share in respect of the year ending December 31 1983 was declared on July 31 1983, payable to members registered on August 12 1983 and was paid on September 16 1963.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at September 30 1963 totalled R162 000.

DE-WATERING OF VAN DYK NO. 5 SHAFT
De-watering of the No. 5 shaft was completed during the quarter. Sampling has been hampered by high ambient temperatures, which have necessitated increased ventilation, and major falls of ground which have been encountered. Sampling is now in progress and it is expected that an assessment of the area will have been completed by the end of December 1983.

PRODUCTION
The characteristics of certain feed material adversely affected tonnage throughout during the quarter and grades of ore also declined. It is now expected that the plant will treat approximately 2 060 000 (previously 2 160 000) tons of material for the year at the grade of 0.78 (previously 0.85) grams a ton.

For and on behalf of the board
W. R. LAWRIE }
E. P. GUSH } Directors

October 21 1983

VAAL REEFS

Vaal Reefs Exploration and Mining Company Limited

ISSUED CAPITAL: 18 000 000 shares of 50 cents each

	Quarter ended Sept 1983	Quarter ended June 1983	Nine months ended Sept 1983
OPERATING RESULTS			
Gold			
Totals:			
Area mined—m² 000	513	510	1 514
Tons milled—000	2 455	3 429	7 221
Yield—g/t	8.30	0.59	8.80
Production—kg	20 310	20 624	60 691
Cost—Complex			
—R/m² mined	250.29	237.11	242.56
—R/ton milled	52.63	49.70	50.06
—R/kg produced	8 241	8 798	8 051
North Lease area			
Area mined—m² 000	358	345	1 046
Tons milled—000	1 525	1 596	4 697
Yield—g/t	7.14	7.11	6.06
Production—kg	10 892	11 350	32 865
Cost—R/m² mined	238.17	210.97	225.06
—R/ton milled	55.50	47.33	50.30
—R/kg produced	7 784	6 956	7 250
South Lease area			
Area mined—m² 000	150	160	424
Tons milled—000	872	007	2 441
Yield—g/t	10.58	11.71	11.45
Production—kg	0 234	9 453	27 938
Cost—R/m² mined	281.64	279.00	282.92
—R/ton milled	48.45	55.33	63 63
—R/kg produced	4 675	4 724	4 596
AFRIKANDER LEASE AREA			
Area mined—m² 000	6	5	18
Tons milled—000	30	26	03
Yield—g/t	2.21	1.96	2.02
Production—kg	84	51	169
Cost—R/m² mined	185.67	145.00	181.57
—R/ton milled	39.32	20.06	30 63
—R/kg produced	13 262	14 294	15 131
Uranium Oxide			
Totals			
Tons treated—000	2 075	2 058	6 143
Yield—kg/t	0.23	6.24	0.23
Production—kg	472 496	491 301	1 425 657
North Lease area			
Tons treated—000	1 163	1 217	3 598
Yield—kg/t	0.20	0.21	0.20
Production—kg	231 444	250 373	706 645
South Lease area			
Tons treated—000	912	841	2 548
Yield—kg/t	0.26	0.29	0.20
Production—kg	241 052	240 908	721 012
PRICE RECEIVED ON GOLD SALES			
North and South Lease Areas			
—R/kg	14 937	14 975	15 445
—$/oz	420	420	440
*Afrikander Lease Area			
—R/kg	14 138	13 730	13 805
—$/oz	398	392	393

* At the time of the decision to re-open the old Afrikander mine it was considered prudent to ensure that the revenue would cover the then forecast costs during the production build-up phase. The company therefore entered into a series of forward gold sales during 1982, covering the entire production expected during the first three quarters of 1983. These contracts have now all been concluded.

	Quarter ended Sept 1983	Quarter ended June 1983	Nine months ended Sept 1983
FINANCIAL RESULTS	R000	R000	R000
Total			
Gold—revenue	304 348	313 081	940 251
—costs	130 146	120 925	367 237
—profit	176 107	192 956	573 014
Uranium oxide profit	9 503	11 775	26 706
Tribute profits	6 565	6 724	21 760
Net sundry	9 944	6 910	24 657
Dividend from Southvaal Holdings Limited —interim declared July 1983	—	13 975	13 675
	202 209	232 346	662 112
Deduct:			
Royalties to:			
Southvaal Holdings Limited	48 638	44 445	152 397
The Afrikander Lease Limited	33	32	93
Profit before taxation and State's share of profit	154 139	187 863	509 626
Provision for taxation and State's share of profit	71 773	80 425	251 692
Profit after taxation and State's share of profit	82 366	107 437	357 928
Deduct:			
Appropriation for first six months			
Capital expenditure			53 533
Dividend—interim			111 156
Retained profit for the nine months ..			63 345
Capital expenditure	30 330	44 380	92 306
Consolidated profit:	R000	R000	R600
Consolidated profit after providing for taxation and State's share of profit of the company and its wholly-owned subsidiary Western Reefs Exploration and Development Company Limited..	82 390	167 543	520 261
North Lease area			
Gold—revenue	164 068	173 478	504 916
—costs	84 768	75 543	236 246
—profit	79 300	97 933	260 660
Uranium oxide profit	A 215	8 317	13 114
Tribute profit	3 408	3 859	11 833
	87 020	107 311	203 715
Capital expenditure	13 210	19 534	39 429
South Lease area			
Gold—revenue	139 067	138 700	433 613
—costs	42 246	44 652	126 445
—profit	96 021	85 068	304 866
Uranium oxide profit	5 188	6 456	13 592
Tribute profit	2 160	2 765	0 827
	106 168	106 279	329 887
Deduct:			
Capital expenditure	18 524	21 092	45 337
Repayment of loan and interest to Southvaal Holdings Limited	243	248	730
Repayment of consumer loan	1 081	1 335	3 038
Surplus subject to royalty	87 341	80 000	277 005
Royalty to Southvaal Holdings Limited (55% of surplus)	48 038	44 448	153 307
Capital expenditure	18 524	31 892	48 337
Afrikander Lease area			
Gold Section			
Gold—revenue	1 158	695	2 332
—costs	1 114	730	3 544
—profit (loss)	78	35	(222)
Available for royalty	78	—	—
Royalty to The Afrikander Lease Limited (minimum)	18	19	57
Capital expenditure	451	1 544	3 053
Uranium Section			
Royalty to The Afrikander Lease Limited (minimum)	13	13	36
Capital expenditure	153	1 018	1 407
SHAFT SINKING			
(South Lease area)	metres	metres	metres
No. 6 main shaft			
Advance	—	—	—
Final depth	2 342	2 342	2 342
Station cutting	790	20	1 070
No. 9 ventilation shaft			
Advance	—	—	—
Final depth	2 339	2 339	2 339
Station cutting	NS	347	1 415
(Afrikander Lease area)			
No. 1 incline shaft			
Advance (shaft deepening)	—	—	—
Depth to date (sinking completed) ..	1 101	1 101	1 161

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
North Lease area							
Vaal reef							
Quarter ended September 1983	18 106	1 696	45.8	35.48	1 624	0.90	41.33
Quarter ended June 1983	17 079	1 682	50.6	33.07	1 666	6.51	41.22
Nine months ended September 1983	83 193	6 286	50.8	35.78	1 816	0.86	43.88
V.C.R.							
Quarter ended September 1983	593	84	156.0	1.45	227	0.02	3.00
Quarter ended June 1983	953	62	179.6	3.13	591	0.04	7.39

VAAL REEFS—*continued*

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Nine months ended September 1983	1 853	178	175.2	2.29	401	0.03	4.98
South Lease area							
Vaal reef							
Quarter ended September 1983	11 668	896	73.5	20.00	2 117	1.19	67.36
Quarter ended June 1983	11 020	644	97.6	36.81	2 812	1.11	106.70
Nine months ended September 1983	33 566	3 398	05.9	26.31	3 369	1.06	00.70
'C' reef							
Quarter ended September 1983	227	80	17.7	45.24	806	1.11	18.62
Quarter ended June 1983	243	140	26.5	62.46	1 700	1.53	43.73
Nine months ended September 1983	801	344	20.6	81.63	1 370	1.51	31.02
Afrikander Lease area							
Jeppestown Rietkuil							
No. 5 reef							
(Gold Section)							
Quarter ended September 1983	706	158	79.8	5.50	438	0.16	8.12
Quarter ended June 1983	611	110	157.5	2 33	367	—	—
Nine months ended September 1982	2 013	538	125.6	3.01	376	—	—
Totals							
Vaal reef (excluding tribute areas)							
Quarter ended September 1983	30 772	3 692	56.1	32.21	1 807	1.06	58.33
Quarter ended June 1983	20 907	3 326	63.7	31.29	1 993	0.06	59.01
Nine months ended September 1983	88 768	7 588	81.4	31.76	1 950	0.95	56.00

DIVIDEND
The interim dividend of 505 cents a share in respect of the year ending December 31 1903 was declared on June 31 1903, payable to members registered on August 12 1983 and was paid on September 16 1903.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at September 30 1903 totalled 039 206 000.

FIRE—WEST DIVISION NO. 4 SHAFT
On October 5 1963 a fire broke out on the 64 Level of No. 4 shaft in the West Division, which regretfully resulted in the death of 10 workers. The fire has since been extinguished.

PLANNED PRODUCTION AND CAPITAL EXPENDITURE
Within the overall planned production for the year of 9 506 000 tons milled at a grade of 6.4 grams a ton to give a gold production of 79 600 kilograms of gold, the programme for the South Lease area now envisages a milled tonnage of 3 100 006 (previously 3 000 000) tons at a grade of 11.3 (previously 11.0) grams a ton to yield 35 000 (previously 33 000) kilograms of gold.
Estimated capital expenditure for the year remains at 945 million in total but the apportionment is now as follows: North Lease Area R59 million (previously R97 million), South Lease Area R61 million (previously R74 million), Afrikander Lease Area 05 million (previously R4 million).

For and on behalf of the board
G. LANGTON }
W. R. LAWRIE } Directors

October 21 1963

ERGO

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 410 000 000 shares of 50 cents each

	Quarter ended Sept 1983	Quarter ended June 1983	Six months ended Sept 1983
OPERATING RESULTS			
Slimes treated—tons	4 647 000	4 280 000	8 927 000
Sand treated—tons	410 000	406 000	825 000
Ore milled—tons	15 000	5 600	20 000
Total production			
uranium oxide—kg	56 401	60 603	117 094
sulphuric acid—tons	130 135	162 212	232 347
oleum—tons	7 822	5 458	13 280
gold—kg	1 623	1 461	3 009
Simmergo production (included in the above figures)			
gold—kg	304	251	555
sulphuric acid—tons	3 880	1 426	3 306
Treatment of pyrite purchased—tons ..	346	74	426
Production (included in the above total production figures)			
gold—kg	16	9	25
sulphuric acid—tons	181	31	202
PRICE RECEIVED ON SALES			
Gold—R/kg	14 888	13 110	14 082
—$/oz	419	432	434
FINANCIAL RESULTS	R000	R006	R000
Total including Simmergo:			
Revenue—gold and silver	24 549	21 613	46 164
—uranium oxide and sulphuric acid	0 422	15 863	33 400
Total revenue	32 971	36 670	60 649
Cost of sales	16 730	17 361	34 111
Operating profit	15 241	19 397	35 530
Net sundry income	568	236	604
Profit before taxation	16 809	10 533	36 342
Provision for taxation	503	5 509	9 092
Profit after taxation	18 226	14 024	30 250
Deduct:			
Appropriation for capital expenditure..			10 069
Dividend—interim			11 275
Retained profit for the six months ..			87
FINANCIAL RESULTS—Simmergo	R000	R666	R000
Revenue—gold and silver	4 600	3 654	0 254
—sulphuric acid	141	82	193
Total revenue	A 741	3 706	8 447
Cost of sales	4 056	2 012	8 966
Operating profit	585	794	1 479
Net sundry income	10	3	13
Profit before taxation, capital recoupment and royalty	895	797	1 492

ROYALTY TO SIMMER AND JACK MINES LIMITED
No royalty is payable to Simmer and Jack Mines Limited as the profit available to date after deduction of taxation is insufficient to recoup the initial capital expenditure financed by Ergo.

	Quarter ended Sept 1983	Quarter ended June 1983	Six months ended Sept 1983
Capital expenditure			
Ergo	11 283	4 267	15 549
Simmergo	1 055	2 414	4 269

DEVELOPMENT—Simmergo

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
South Deep shaft					
Quarter ended Sept 1983	642	418	143.6	1.93	278
Quarter ended June 1983	511	330	167.1	1.90	382
Six months ended Sept 1983	1 153	756	164.2	1.82	380

DIVIDEND
The interim dividend of 27.5 cents a share in respect of the year ending March 31 1984 was declared on October 20 1983, payable to members registered on November 11 1983 and will be paid on or about December 15 1983.
Attention is drawn to the announcement relating to dividend No. 10, published in conjunction herewith.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at September 30 1983 totalled R7 707 000 which includes an amount of R1 302 000 for the Simmergo project.

CAPITAL EXPENDITURE
"Capital expenditure for the year is now estimated at R50 million (previously R40 million) and comprises R36.5 million in respect of the Ergo Division, R9.5 million in respect of the Simmergo division and R12 million in respect of the Daggafontein Division. A statement with respect to the financing of the latter amount will be made in due course."

For and on behalf of the board
G. LANGTON }
W. R. LAWRIE } Directors

SOUTHVAAL HOLDINGS LIMITED and THE AFRIKANDER LEASE LIMITED

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTE

1. DEVELOPMENT
Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.
2. FORWARD SALES OF GOLD
Most of the forward sales of gold contract entered into by the companies during 1982, which were still in force at December 31, 1982, were closed during the past quarter, resulting in a slight reduction in gold revenue for the quarter.
There have been no further forward sales.

The Orange Free State Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Getting to the grassroots

Arnold Kransdorff explains how Walls is tackling employee communications

Ken Pugsley of Walls Meat: "We want less dough and more meat" Trevor Humphries

KEN PUGSLEY, a supervisor at Walls Meet Company's Southall factory, recently gathored around him 25 bakery workers. He told them that following a successfol visit by Tesco tho company had been given the opportunity of making a new 4 oz steak and kidney pio for the supermarkot group.

He also told them that it was now company policy to make all tinned pies with thin walls. The company's salesmen had Indicated that a pie with "less dough and more meat" was a better prodnct, so it was hoped that highor sales would result.

Pugsley added for good measure that tho previous week's fire drill was o disaster because lt had taken too long to evacuate the building. He warned that it wonld havo to be quicker next time.

This face-to-face meeting, called a team briefing, lasted about 30 minutes, during which time Pugsloy's aodience asked him practical questions abont the new technical adjustments needed on the pie-stamping machioes.

Pugsley is one cf the 200 team briefers throughout the Unilever subsidiary who have been conducting similar dialogues once every two months for the past two years as a means of improving employee communications.

Walls has been using the techniqne for another reason—to npgrade the status of the supervisors who, according to employee attitude surveys taken in 1980, felt that thoir traditional authority had beoo oroded over tho years.

The main principle behind team briefing is that employees, whether shopfloor workers or middle management, are provided with regular information whioh is relevant to their own particular work group.

Tho Industrial Society, which inveoted the Idea, stresses that it should not replace existing methods of dispensing company information such as in-house newspapers, notice-board announcemeots or formal managament presentations.

In tho Walls case, formal communnications were confined to ad hoc meetings when the better section managers would speak to employoes only when they thought it necessary.

"We tended to rely on the grapevino to get things through, or trade uniou stowards," says Dr Martin Ewart, the company's personnel manager for the south of England who has been elosely associated with the introduction of team briefing. "Wo always had tho feeling that the message wasn't percolating down to the grass roots."

Coupled with the findings of the employee attitude survey, this spurred the company into action. The briefing concept was chosen because it was being used successfully at Mattessons, another Unilever subsidiary.

Over the past two years Walls has introdnced team briefing into all three of its factories at Southall, Evesham in Worcestershiro and Godleigh, near Manchester, as well as the head office in Banbury, Oxfordshire.

At Evesham and Godleigh the company used The Industrial Society's resources but at Southall it used Communications and Employee Relations Training (CERT), an independent consultancy, run by former Industrial Society employees, and—because of the high immigrant population in its workforce—Pathway Industrial Training, an industrial language unit run by the London Borough of Ealing.

Formal commonications training is an important element of the whole concept, so Pathway was brought in to teach team briefers bow to simplify their language in order to make it more understandable to the factory's Indian and West Indian workforce.

There are five briefing levels throughout the company. Broadly, the board at Banbury briefs the company's three general managers who in turn brief their department beads.

They then brief their own supervisors who in turn brief the shopfloor. At each level below the board "local" information is the major constituent of the briefing, the nature of which is generally agreed at a prior meeting between the team briefer and his immediate boss: the remainder of the brief is made np of so-called "company" information that cascades down from the board and time is given for feed-back.

For Ewart, good employee communications is an act of faith. While he cannot immediately quantify the benefits, he feels instinctively that at the end of the day it must mean higher profitability.

"Team briefing at Walls has certainly improved the perceived standing of the supervisor," he says. "Also, although it is a subjective judgment, we as managers believe that change which is forced on the company by the market place is now more readily accepted than before by the workforce."

For Wall's workforce, team briefing is a big improvement on the state of the art a few years ago. "There were always rumonrs going around the place" according to Ray Phillips, a charge hand in the bakery. "Since we've had team briefing we at least know what's going on."

Team briefing: the art of two-way talking

TEAM BRIEFING is a relatively new concept in face-to-face communication hetween management and employees. Tbo idea has emerged from the ruins of so-called briefing groups, which were first sponsored by tho Industrial Society about 20 years ago but which havo sinco fallen into disuse.

The major failing of the briefing group system has been that it generally only allowed for a one-way traffic in information—downwards. Too often it became the equivalont of a high-class postal service transmitting company propaganda or, as one critic put it: "They ended up as monologues rather than dialogues."

Team briefing, on the other band, reflects a more enlightened industrial relations climato. Its omergonce also reflects a more progressivo attitudo to employee communications by The Industrial Socioly, the independent training and industrial advisory body whicb is its main sponsor.

Team briefing is different from briofing groups in three fundamental ways, all of which — liko most good managemont practice — are beguilingly simple.

The gospel according to The Industrial Socioty says, firstly, that all face-to-faco meetings with omployees should now contain a major olement of "local" information. By that they mean information which is directly relevant to the performanco of the individuals being briefed.

Second, timo should always be mado availablo for questions relatod to the brief; those questions should be passed back up tho lino if they cannot be answored immediately, and fed back down again at tho noxt mootiog.

Third—and perhaps the most important difference—is that all briefers should undergo a period of special training in order to become bettor communicators.

Liko briefing groups, in team briefing corporate information is "cascaded" down the line—as happens at Walls.

Nor should it doal with issues connectod with wago bargaining and conditions of omployment—the traditional preserve of the trade unions.

The Industrial Socioty believes that this condition has prevented any wholesale opposition to the idea, although there bas been some resistance in specific cases.

At Jaguar, for oxample, there was initial bostility until management assured shop stowards that production workers would not lose bonus paymonts covering the short period when the track was stopped for the briefing.

It is important, incidentally, to distinguish the concept of team briefing from that of quality circles, which also function through small groups of employees with a team leader. Whoroas quality circles are mainly problom-solving meetings that pass "local" information and experience up the line, team briefing is fundamentally concorned with ensuring that management information gets *down* to all levels of employees.

According to The Industrial Society's Janice Grummitt, bead of the communications dopartment, interest in team briefing is now "accelerating like mad." In tho past two-and-a-balf years tho society has helped around 200 companies to introduce it into their ranks, more than 100 of them in tho last year alone.

Among them are large drug companies like Beecham and May and Baker, brewers Scottish and Newcastlo and Whitbread, engineering compaoies like Chloride Batteries and Howdens, publishers like BPCC and Chaucer Press and oven bodies like The Royal Mint and the Civil Aviation Authority.

Although The Industrial Society is its main exponent, the new system has spawned a wholo new industry of specialist consultants, mainly formor Industrial Society employees.

Explaining how The Industrial Socioty goes about helping set up a team briefing system within a company, Grummitt says: "We first draw up an accountability chart to see who is responsible to whom, and then decide how best to group people, usually in numbers of between 10 and 30.

"Having recommended a timing schedule for briefing sessions—usually once a month although a lesser frequency is often more convenient in some companies—we select the most suitable individuals to be team briefers and train them."

The Industrial Society's training courses for team briefers last two days, during which they are taught bow to write a brief.

About 70 per cent of this should comprise "local" information, the rest corporate information, culled from the group brief that is passed down the line.

As a general rule a consultant would cost a company around £425 a day to put in a team briefing system. Grummitt estimates that the installation of o complete system in a small company would cost at least £2,000.

Yet more Japanese myths debunked

THE FLOOD of fashlonable books on the secrets of Japanese management has concentrated excessive attention on "soft" methods of employee motivation, such as quality circles, consensus decision-making, and the like. It has "outrageously ignored" the much more straightforward Japanese technique of securing maximum employee performance by offering enormous and almost company-wide financial incentives in the form of bonuses tied to corporate performance which can dooble a worker's basic salary.

Thus Professor Lawrence Franko of America's Tufts University, the latest recruit to the veritablo industry of Japan-watchers which has blossomed in tho last few years.

In his commendably short book on "Tho Threat of Japanese Multinationals," which was pnblished this week in English and French and will be available next year in German and Japanese*, Franko summarises much of the myth-breaking analysis about Japanese management which has emerged since the lote 1970s from western and Japanese academics. His book is a most useful primer for the busy businessperson.

Like many of his peers, particularly those at the Harvard Business School (see this page, Monday October 17), Franko's overall conclusion is that there is little which is magical or inscrutable about the way Japaneso companies are run; in many cases they are simply applying, with oxtraordinary attention to detail, many of the management practices which they bave learned from the West but which the West has tended to forget.

But Franko also has several perceptions of his own to mako which, if not novel, have either been ignored in the general melee of literature on the subject, or are rendered unusually forceful by his way of comparing Japanese and western practice. They include:

● The crucial advantages gained in mature industries by Japan's very early development of what he calls a "global logistics system." Not only did Japan invest much earlier than the West in developing countries—in Latin America as well as Asia—but even now its Third World manufacturing sites are "far more oriented to export markets." Only in electronics, and particularly semiconductors, has the West followed a similar pattern, he says.

● The West has been cramped by its own narrow views about the likely profitability of certain market segments. Franko says that Japanese firms "were powerfully helped in achieving world market dominance in many (so-called) "down-market" segments by the neglect of, even disdain shown for, them by western producers." A misleading "up-market / down-market" vocabulary itself reflected the negligence or even abandonment of many segments by western makers of cars, motorcycles, TV sets, copiers, machine tools, and so on.

● Franko quotes a popular Japanese catch-phrase, "light, thin, short and small" as being a far more positive way of viewing what the west still sees as "down-market" products—it is this approach which partly accounts for Japan's domination of so many mass markets, he claims.

Perverse view

● The West would be "very wrong" to think that "the Japanese only copy our technology." Such a view is at least 10 years out of date, argues Franko. In any case it is based on "a perverse view of creativity" which has as much to do with finding new uses and markets for existing technology as with making new technical breakthroughs. Franko also points to the alarming disparity between Japanese and U.S. spending levels on industrial research and development; in 1982, he says, Japanese consumer electronics firms spent 4 per cent of their sales on R and D, almost twice the U.S. rate. In 1982 the discrepancy was even greater.

**Published by John Wiley and Sons, Chichester, UK. Price £11.50 (US$23) as part of o joint series of books from Wiley and the Geneva-based Institute for Research and Information on Multinationals.*

Christopher Lorenz

ENGLAND'S LEGAL SYSTEM

An interview with the Master of the Rolls

'Choirmaster, not soloist'

Twelve months ago Sir John Donaldson (right) succeeded Lord Denning as Master of the Rolls, one of the two most powerful judicial appointments in Britain. He talks here to **Raymond Hughes** about his first year in office.

LORD DENNING made the position of Master of the Rolls very much in his own image. Did you find it difficult to follow him?

Lord Denning is a formidable character and one of the greatest judges of this century. But, whether ha was Master of the Rolls or just Mr Justice Denning, he always remained Tom Denning. Anybody following him as Master of the Rolls is likely—and, I think, ought—to remain himself. I've succeeded to the office of Master of the Rolls; I've not succeeded to the office of Lord Denning.

Things change and the Court of Appeal is a very much bigger organisation now than when Lord Denning became Master of the Rolls. It's now very much more difficult—indeed, I think undesirable—for there to be any one judge who is regarded as *the* Court of Appeal. We now have 18 Lords Justices and a court of that size must operate as a collegiate body. The function of the Master of the Rolls, as I see it, is to act as a choirmaster rather than as a solo performer.

Did you approach the job with a clear idea about the way you wanted the court to operate?

I had the advantage that, about three years before I became Master of the Rolls, a committee had been set up under Lord Scarman to examine ways of improving the efficiency of the Court of Appeal and making it accord more with the needs of the times. That committee recommended radical changes, the implementation of which coincided with my appointment. So I was presented with a blueprint of what was required.

It wasn't a case of me moving in as a new broom with new ideas of my own—although I did happen entirely to agree with the Scarman Committee's recommendations, so to that extent I was able to give effect to them with the greater enthusiasm.

There has been criticism that you've tried to make too radical a change in the court's procedures: in particular, that you cut too many corners in your attempts to speed up hearings, giving some barristers a feeling that they are not being allowed to present their cases in their own way, or that their lay clients may get the impression that they are not getting a fair hearing. How would you answer such a criticism?

I can understand the criticism but I hope and believe that it's not valid. Counsel, very naturally, like to deploy every conceivable argument which may appeal either to the court or to their clients. But it seems to me that the purpose of a court—particularly an appellate court—is to ensure that both parties get that to which they are entitled under the law.

To allow the unarguable to be argued, merely for the satisfaction of counsel or litigant, is unfair to others waiting to have their cases heard. As long as we allow all parties to put before us all the arguments which are directly relevant, and which have any chance of success, we're doing as much as we possibly can to provide the right answer in the shortest possible time. My reply would be, I think, that as long as we arrive at the right answer there's no real force in the criticism.

You've reduced the oral part of appeal hearings by having counsel submit in advance written skeleton arguments. Would you like to see the oral aspect reduced still further, perhaps to the extent that cases are dealt with almost entirely on the basis of written submissions, as is the practice in some other countries?

No. We've made it absolutely clear that every member of the court believes in the English tradition of oral argument. The sole purpose of the skeleton arguments has been to confine the oral argument to the nub of the case and avoid using up expensive time dealing with matters which are largely uncontroversial and which lead to that nub. But in dealing with the crux of the case the only way, as I see it, is by oral argument, and I certainly wouldn't wish to depart from that.

Nowadays the Appeal Court judges seem more reluctant than they used to give leave to appeal to the House of Lords. Is that as a result of a change in policy?

Yes, I think there has been an informal policy change. I've always thought that the best people to decide whether an appeal is arguable are judges who have not been parties to the judgment appealed from. If the House of Lords are satisfied that an appeal could not succeed they can refuse leave to appeal and thereby save the parties the cost of a full-scale hearing. The main advantage for litigants is that they have the opportunity of a relatively inexpensive review of their chances of success.

The office of Master of the Rolls is one of the two most powerful and potentially influential judicial appointments. In what area do you see yourself exerting an influence?

I've always thought of the law as being a benevolent force—a lubricant, if you like — in the unavoidable stresses and strains of a complex modern society. I would hope to be able to make the machinery of the law better understood by, and, if possible, more available to, ordinary people. I've always wanted to do this. I've always tried to do it.

Many statutes are notorious for their complexity and tortuous drafting. You have urged Parliament to make laws comprehensible to the man and woman in the street. Are you optimistic on that score?

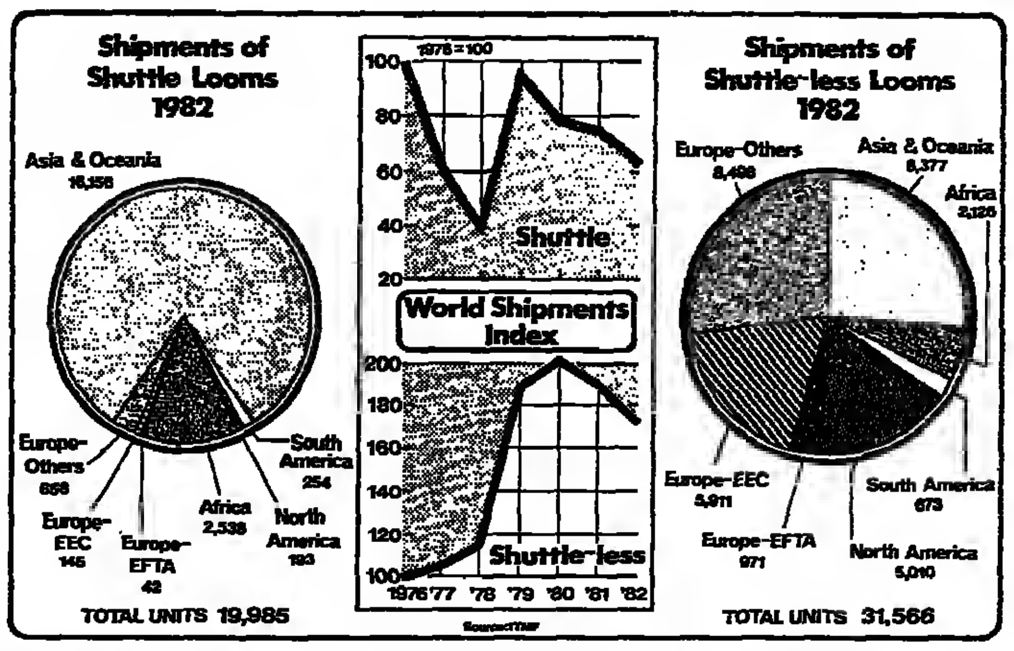
Not very, because Parliament is not prepared to legislata in broad terms, leaving it to the judges to apply the law in individual situations. If they want to legislate in the greatest possible detail then inevitably statutes will be extremely complicated. If they do it, as they are at the moment, on a very large scale, Parliamentary counsel will be very pressed and will resort to all sorts of devices, like cross-referencing and defining terms, which will make the document largely unintelligible to the man in the street.

I think this is a great pity. I think that everybody should know the law as it affects them. I would like to see laymen assisting Parliamentary counsel. For example, if you had a statute dealing with trade union rights, it would be useful if trade union members could be asked in what respects they found the Bill difficult to understand. The language could then be modified in some way to make it intelligible. When an Act of Parliament is addressed to the man in the street it should be clear to him without the intervention of lawyers, except, perhaps, on points of fine detail.

TEXTILE MACHINERY MANUFACTURING

Why Europe is putting out more flags

By Anthony Moreton, Textiles Correspondent



AFTER THREE very difficult years, there are now signs that the European textile-machinery makers are about to break out of the recession.

At the opening in Milan this month of ITMA 83, the world's largest textile machinery exhibition, Mr Peter Leijdekkers, Dutch president of Cematex, the European association of manufacturers, forecast that the industry was on the brink of an economic upturn.

The most positive signs of recovery are coming from West Germany where an increase of around 10 per cent in output is expected this year. Germany is the world's leading manufacturer, accounting for 31 per cent of international trade in textile machinery.

The Swiss, the second most important exporter, with 19 per cent of world trade, are equally hopeful of a rise, and even the Americans, who are now weak internationally (6 per cent of trade) but have a strong domestic market, see signs of an upturn, as do the Italians.

ITMA, which is held every four years, was itself evidence that business is improving. The fairground, festooned with the flags of the 31 participating countries, was filled with a record 1,251 stands, occupying over 1.25m sq ft. By the time the gates closed on Wednesday night over 150,000 visitors had toured the stands, with large parties of Argentines, Chinese, South Koreans and Japanese highly noticeable among those from Europe.

It was not just the crowds, though, which confirmed the machine builders' expectations. Normally, orders follow the show at a decent interval but this time they were being placed on the stands.

The past two to three years have been at best a period of stagnation, at worst a period of real decline from which no manufacturers—not even tha highly efficient German and Swiss industries—have escaped. A shortage of investment funds, lack of confidence in the future, highly competitive pricing leading to heavy losses, and high interest rates all took their toll.

Britain was almost certainly worst hit. From being the second or third most important producer in Europe just a few years ago it is now almost bottom. British manufacturers now turn out just 19 per cent of their 1975 total and employment has dropped by about two-thirds.

According to Herr Helmnt Holtappels, of VDMA, the German textile machinery organisation, "the last two years have been so bad that half a dozen big names either closed or were taken over. Some of these occurred very dramatically." Employment in the German industry is now around 36,000 compared with a peak of 60,000 in 1973-74.

In Switzerland and the U.S. thare have also been take-overs. In Switzerland Sulzer has taken over Ruti; in the U.S., Morrison Textiles of North Carolina bought James Hunter Machinery of Massachussets, a company with a 150-year history, whila tha unusually named firm John D. Hollingsworth on Wheels took over four more.

The American industry, like those in Europe, has also suffered major job losses. The total workforce is now below 17,000, compared with a peak of over 35,000 in the mid-1970s.

Europe, according to M Jacqnes Mermod, Swiss secretary-general of Cematex, "has lost over 30,000 jobs, probably 20 per cent of our total workforce. We are still losing jobs but it is now happening much more slowly." Losses now are occurring mainly in plants where highly capital-intensive machinery is being put in.

The pick-up in the machine-makers' fortunes began earlier this year following an improvement at retail level in demand for textiles. Orders for machine builders usually lag six to 10 months behind those for textiles, and this ITMA has coincided with the moment that orders are starting to rise.

Herr Holtappels has seen a clear improvement in the first eight months of the year in Germany. "Compared with the same period of 1982 there has been a 3 per cent rise in orders—and this is an important period because it comes right in front of ITMA, a time when people might be sitting on their hands waiting to see what the show has to offer before buying."

Herr Holtappels adds there is a good chance tha West Garmans will finish the year strongly and volume for the year could be 10 per cent higher than 1982.

Sectors doing particularly well include spinning machinery (up 5 per cent to the end of August), weaving (7 per cent) and flat knitting (5 per cent), though finishing machinery, circular and weft knitting are all down on last year.

Germany now accounts for 30 per cent of tha world's exports of spinning machinery, 35 per cent of weaving machinery, 38 per cent of knitting machinery and 52 per cent of bleaching, dyeing, printing and finishing machinery. Over the last decade it has exported almost 90 per cent of output, most of it to advanced, high-income countries.

The one country the Germans are keeping their eye on is Switzerland. Cematex's M Mermod, who is also secretary of VSM, the Swiss machinery organisation, says his industry's strength has always been based on its ability to offer "turnkey" contracts and also because, unlike the French, it has been highly export oriented.

"What we are finding is that buyers now want better machines, not more of them. Since we have always built high-quality equipment we are well placed to meet any upturn.

"But we have to make sure we do not price ourselves out of markets. Our machinery is expensive at times and, partly as a result, many of our concerns have made losses at one time or another over the past five years."

Peter Leijdekkers, president of Cematex

Like the British industry, the French have seen their output decline over the past four years. In value terms there was a rise of 11.7 per cent between 1979 and 1982 but when inflation is taken into acconnt the industry has slipped badly. Part of the explanation lies in the industry's inability to increase exports, which were exactly the same in value last year as in 1979.

Neither difficulty has affected the large Italian industry. It has pushed up output by 70 per cent since 1979 and exports by almost 60 per cent. Given this attention to overseas markets it was hardly surprising that Italy should have dominated ITMA, with 502 stands compared with 264 from Germany, 102 from the UK and 97 from Switzerland.

Sig Giovanni Rusconi, of ACIMIT, the Italian manufacturers' association, said that, as in Germany, the industry had seen signs of rising orders over the summer and that this trend would continue into 1984.

The indications from the U.S. are that the pick-up occurred rather later than in Europe, possibly as late as July or August. Mr William H. Huguley IV, vice-president of the American Textile Machinery Association, sees "some resurgence in the next two years but a lot depends on the level of the dollar.

"With a strong dollar we can be 30-35 per cent dearer than Germany or Japan in Third World countries and unless you build a better mousetrap there is no way you can get over that hurdle. Still, the American industry is feeling a lot better now and ITMA has helped a lot."

The mood of optimism is generated partly by a new generation of high technology machines coming onto the market.

Mr Stan Davies, product development manager at ICI Fibres, says the new equipment shows "that high-technology machinery is now available for every potential customer.

"The other thing that Milan has shown is that ever-faster machinery is being developed, which will bring down unit costs."

Mr Davies' opinion was reinforced by the crowds around the stand of Bonas, a medium-sized British company from Sunderland, which had one of the star exhibits of the show.

Bonas has traditionally made equipment to produce narrow fabrics, such as braid, or collar labels for clothes. It now makes machines to produce wide-width — 2 metre — fabrics, at the fastest speed of production in the world.

This development so interested Ruti, part of the Sulzer group, which is considered the Rolls-Royce of the industry, that one Ruti executive told Mr Ian Bonas, chairman of the British group: "You have us worried. You are a real danger to us."

That compliment could have been paid to many of the other British companies present, such as Bobtex, James Mackie or Bates. After the traumas of the past decade, with a dramatic run-down in numbers — there are now under 20,000 jobs compared to over 40,000 in 1975 — what is left of the British industry is in good shape and able to compete on world markets — as shown by the fact that 80 per cent of its production is sold abroad.

Yet the industry agrees with Mr Bonas that it must spend increasing amounts on R&D. The lesson of ITMA is that only those companies which have done this throughout the recession are likely to survive.

THE ARTS

Theatre

LONDON

The Tempest (Barbican): Derek Jacobi takes a short respite from his recent triumph as Cyrano to add last summer's Stratford Prospero to the RSC London programme. A younger magus than is usual, he gives a performance that is technically accomplished and imaginatively adventurous. An entertaining production. (628 8795).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

NEW YORK

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaité Parisienne, but the intimate moments borrowed direct from the film. (757 2626).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast. (541 8394).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

CHICAGO

E. R.(Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000).

A Raisin in the Sun(Goodman): season opener celebrates the 25th anniversary of Lorraine Hansberry's play that explores racial conflict when the black Younger family move to a white neighbourhood. Ends Oct 30. (443 3800).

WASHINGTON

The Golden Age (Eisenhower): A. R. Gurney has built a swift reputation on a career of taking a gentle but not uncritical look at the White Anglo-Saxon Protestants who set the tone of American gentility without always subscribing to its precepts themselves. (254 3670).

The Importance of Being Earnest (Arena Stage): with Richard Bauer as Lady Bracknell, Tom Hewitt as Jack Worthing and Marilyn Caskey as Gwendolyn, the Arena Stage gets an exuberant start to a season that will include two contemporary British plays, Simon Gray's Quartermaine's Terms and Caryl Churchill's Cloud 9, as well as Christopher Durang's Beyond Therapy and Chekhov's Three Sisters. Ends Nov 13. 6th & Maine SW (488 3300).

Noises Off (Eisenhower): Dorothy Loudon stars in Michael Frayn's comedy about the provincial run of a slapstick farce with lots of antics for a company that includes Brian Murray, Paxton Whitehead and Victor Garber. Ends Nov 27. (254 3670).

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business.

The Tate Gallery: New Art – an extensive and extraordinary survey, quite positively open-ended and non-definite, across current international activity in painting and sculpture. It is in the main a loan exhibition with significant augmentation from the Tate's own collections: which, if it seeks to do anything, places what has come to be thought of as the New Spirit in painting, that is to say the expansive and often violent figurative expressionism of such artists as Clemente, Chia, Salle, Kiefer, Immendorff, Penke, Fetting, Schnabel, into the broader context of the Art of two decades past. Ends Oct 23.

The Barbican: Matthew Smith – an illuminating retrospective, long overdue, of the life's work of one of the most truly French of British painters of this century. And yet he remained a most English expressionist; the sharp, bright Fauve colour of his early years modifying in range and tone to darker, quieter effect. Ends late Oct.

The Royal Academy: Art of the Avant Garde in Russia 1910-30: a selection amounting to some 300 works from the astonishing collection formed since the War by George Costakis, sometime official in the Canadian Embassy to Moscow. The Russian artists in the years before and after the Revolution were as stimulated by the ideas and events of that time as their fellow-intellectuals and consequently denounced as decadent when Stalin decided they were too dangerously free and should be suppressed. One wonders how many more works are still under lock and key. Ends Nov 13.

PARIS

Musée Marmottan, 2 rue Louis-Boilly: an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil "Impression – Sunrise," which gave the name to the whole movement. Closed Mon.

Musée de Cluny, 6 Place Paul-Painleve: this museum, built originally by the Abbots of Cluny, now houses medieval works of art, including goldsmiths' work, carved altar pieces, ivories, fabrics, and Limoges enamels. Also a set of the Lady and the Unicorn mille-fleurs tapestries – an allegory of the five senses. Closed Tuesday, and every lunchtime.

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 54 10).

Turner (1775-1851) – the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes – through his fascination with the effects of light – one of the forerunners of abstract art. Grand Palais (Oct 15–Jan 16). Closed Tue (2615410)

Liège Modern Art Museum has lent its collection of choice items – one of Monet's first paintings and one of Gauguin's last. Also a surprising Blue-period Picasso – to the Centre de la Communauté Française de Belgique. (Tel: 2712616), 11am–6pm, closed Mon; Ends Jan 8.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey.

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition for nearly a century. Ends Nov 27.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

Hirshhorn Museum: Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the taille direct technique as revived in the late nineteenth century and used even today. Ends Nov 27.

CHICAGO

Museum of Contemporary Art. More than 100 works of the provocative, if not outrageous, sculptress Louise Bourgeois comprise the first major retrospective of her work, going back to the 1940s. The sexual and Women's Lib themes of recent times gained the artist a notoriety, here put in perspective. Ends Oct 30.

BRUSSELS

Ann Boyden:paintings and drawings. British Council. Ends Oct 28.

WEST GERMANY

Düsseldorf, Tonhalle, 1 Ehrenhof: "New Glass in German" has 280 colourful decorated glasses, vases, bowls and pictures by 59 contemporary artists. Ends November 6.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt, Städtische Galerie im Städel, 63 Schaumainkai: the exhibition has the sculpture 'The King of the Mountain' as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

Krefeld, Kaiser Wilhelm Museum, 35 Karlsplatz 35: A sequence of etchings depicting and warning of the horrors of war dating from 1924 by Otto Dix, one of the German artists banned by the Nazi regime who are now belatedly coming into their own. Ends October 30.

Berlin, Nationalgalerie, 50 Potsdamer Straße: 'New West German painting' shows up today's artistic trends through 139 pictures by 35 artists selected for this purpose with the help of a competition. All works date from 1980. Ends Oct 30.

Krefeld, Haus Esters, 97 Wilhelmshofallee: 20 large-sized American quilts from between 1880 and 1940, showing mostly geometrical patterns. Ends Oct 23.

Nuremberg, Kunsthalle, 32 Lorenzer Straße 32: a survey of the contemporary arts scene in East Germany documented by more than 200 works by 13 artists. Ends Nov 15.

Berlin, Schloss Charlottenburg, Große Orangerie: 300 paintings and drawings created since 1966 by Achim Freyer, the Berlin stage designer. Ends Oct 30.

Berlin, Nationalgalerie, 50 Potsdamer Strasse: 180 figurative and abstract wooden, bronze, wire and rolled-steel sculptures by Pablo Picasso. Ends Nov 27.

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8.

Bonn, Städtisches Kunstmuseum, 7 Rathausgasse: More than 200 drawings by Jonathan Borofsky, the American artist, who has become known for his work shown at the last Kassel documenta, the great West German art exhibition. The pieces shown in Bonn date from the last 23 years. Ends Oct 30.

Essen, Museum Folkwang, 41 Goethestrasse: paintings, drawings, water colours and graphics chiefly from the early periods of Erich Heckel (1883 to 1970), the German expressionist painter. Ends Nov 20.

Munich, Lenbachhaus, 33 Luisenstrasse: 'Aktuell '83' offers a view of a sizeable part of today's European arts scene through 165 works (mainly paintings, sculptures, video and films) by 44 artists from Milan, Munich, Vienna and Zurich. Ends Nov 20.

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

Rome: Vatican Palace, exhibition of '200 Years of American Paintings from the Thyssen-Bornemisza Collection'. Ends Nov 10. Palazzo Braschi, exhibition of British water colours from the Victoria and Albert Museum. Ends Oct 30. Galleria d'Ascania, Via del Babuino 29, exhibition of theatrical drawings by Lindsay Kemp. Ends. Nov 5.

Opera and Ballet

LONDON

Royal Opera, Covent Garden: no opera performances – this week the schedule is devoted to the ballet.

English National Opera, Coliseum: the ENO begins a new cycle of Wagner's Ring with The Valkyrie, produced by David Pountney, conducted by Mark Elder, with Linda Esther Gray, Josephine Barstow, Anthony Raffell and (sole survivor of the previous Ring) Alberto Remedios. Further performances of the triumphant new Rienzi, Wagner's unwieldy early Grand Opera, carved by main force and brilliant stagecraft into an examination of Nazi megalomania.

Royal Opera House, Covent Garden: The Royal Ballet presents Makarova as Manon on Monday (essential viewing) and Thursday will show the debut as Manon of the hugely gifted young Alessandra Ferri. On Wednesday, Swan Lake.

Sadler's Wells, Rosebery Ave: mime company Lindsay Kemp is on view, with programmes which the theatre notes are 'probably not suitable for children.'

PARIS

Rossini's "Moses" in a new production by Luca Ronconi conducted by Georges Pretre with Samuel Ramey and Shirley Verrett alternates with Puccini's "Madame Butterfly," conducted by Alain Lombard in Teatro Communale de Florence production with Raina Kabaivanska/Helene Garetti as Madame Butterfly at the Paris Opera (266 5022).

"Vive Offenbach" conducted by John Burdekin, produced by Robert Dhery at the Opera Comique (296 0611).

NEW YORK

Metropolitan Opera (Opera House): Besides the centenary gala, the fifth week of the season includes Peter Grimes, La Bohème, La Fille du Régiment and La Forza del Destino. Lincoln Center (580 9830).

ITALY

Venice, La Fenice: Carolyn Carlsons Ballet (Fri, Sat, Sun).

BRUSSELS

'La Passion de Gilles': premiere of Philip Boesmans's opera, conducted by Pierre Bartolomee; Peter Gottlieb and Carole Farley as Gilles de Rais and Joan of Arc. Théâtre Royale de la Monnaie (Fri, Sun, Tue, Thur).

WEST GERMANY

Frankfurt Opera: Jenufa, reproduced this season has Daniza Matilovic in the main part. Der Freischütz, a new, ultra-modern production, convinces thanks to Walter Raffeiner in the part of Max. Pariser Leben is a well done repertoire performance. Cav and Pag brings together Seppo Ruohonen and Galina Sovova. My Fair Lady gives a light touch to the week.

Munich Bayerische Staatsoper: Schöneberg's Moses und Aron is reintroduced to the programme this season. Lohengrin, produced by August Everding, is well worth a visit and has Siegfried Jerusalem and Ingrid Bjoner. Peer Gynt, produced by Kurt Horres, has Cheril Studer and Astrid Varnay both excelling in their parts. Die Lustigen Weiber von Windsor is of respectable standard, with Lucia Popp and Wolfgang Brendel. This week's highlight is Don Giovanni, sung in Italian, featuring Franzisco Araiza and Judith Beckmann in the main parts.

Arts Week

F	S	Ss	M	Tu	W	Th
21	22	23	24	25	28	27

Music

LONDON

Philharmonia Orchestra, conductor Vladimir Ashkenazy, Maurizio Pollini, piano: Chopin Piano Concerto No 1, Beethoven Symphony No 7. (Mon) (928 3641).

'From Mao to Mozart': the film made of Isaac Stern's visit to China, which delighted the critics, both music and film. Queen Elizabeth Hall (Mon) (928 3641).

Vivaldi Concertante, conductor Joseph Pilbery, Nigel Kennedy, violin, Brigitte Loeser, cello and Paul Oldfield, double bass: Vivaldi, Bach, Haydn, Rossini, Puccini. (Tue) Queen Elizabeth Hall (928 3641).

New Symphony Orchestra, conductor Anthony Hopkins, Anthony Goldstone, piano: Rossini, Rachmaninov, Ravel, Elgar, Borodin. Barbican Hall (Tue) (638 8891).

City of Birmingham Symphony Orchestra, conductor Maxim Shostakovich, John Lill, piano: Prokofiev, Shostakovich. Barbican Hall (Wed) (638 8891).

Royal Philharmonic Orchestra, the Brighton Festival Chorus and Trinity Boys' Choir conducted by Sir Charles Groves as part of the Great British Music Festival series of concerts: Delius, Havergal, Tippett, Patterson. Royal Festival Hall (Wed) (928 3641).

Geraint Jones Orchestra conducted by Geraint Jones in an all-Bach programme. Queen Elizabeth Hall (Wed) (928 3641).

Goldsmiths Choral Union, Musicians of London, conductor Brian Wright; Mozart, Brückner Mass No 2. Barbican Hall (Thur) (638 8891).

Thomas McIntosh piano recital: Mozart, Beethoven, Brahms, Chopin. Queen Elizabeth Hall (Thur) (928 3641).

PARIS

Alain Vanzo, tenor, Martine Masquelin, soprano: Delibes, Gounod, Bellini (Mon 6.30 pm). Barbara Hendricks, soprano, and Orchestre de Chambéry et de La Savoie, Claire Gibault: Mozart, Samuel Barber (Mon 8.30 pm) TMP-Châtelet (233 4444).

Rudolf Serkin, piano recital (Tue) Salle Pleyel (563 8873).

Orchestre Colonne conducted by Karolos Trikolidis, Pierre Amoyal, violin: Bruch, Brückner (Tue) TMP-Châtelet (233 4444).

Ensemble Orchestral de Paris, conducted by Hiroyuki Iwaki, Olivier Charlier, violin, Christiane Eda-Pierre, soprano, Christian Ivaldi, piano: Haydn, Mozart, Strauss (Tue, Thur) Salle Gaveau (563 2030).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, James Vandemark, double bass, Harvey Pittel, saxophone. Debussy, Menotti: Double bass Concerto (world premiere) (Tue); Zubin Mehta conducting, Aurora Natola-Ginastera, cello, Kathleen Battle, soprano. Bach, Ginastera, Webern, Mozart (Thur). Lincoln Center (874 2424).

Baltimore Symphony (Carnegie Hall): Sergiu Comissiona conducting, Salvatore Accardo, violin, Women's Chorus. Berlioz, Bruch, Holst (Wed). (247 7459).

Chamber Music at the Y (Kaufmann Hall): Jaime Laredo, director. Schubert, Weber (Tue, Wed). 92nd & Lexington Av. (427 4410).

Merkin Hall (Goodman House): Joseph Kubera, piano recital. All-Cage, programme (Mon); David Holzman, piano recital. Schönberg, Greenbaum, Wolpe, Boucourechliev, Martino (Tue); Pomerium Musices, Colin Tilney, harpsichord. All-Frescobaldi programme celebrating the 400th anniversary of the composer's birth (Wed); Jack Reilly, Lloyd Moss, piano and poetry recital (Thur). 67th W. of Broadway (362 8719)

WASHINGTON

English Chamber Orchestra (Concert Hall): Rossini, Beethoven, Delius, Haydn (Mon). Kennedy Center (254 3776).

National Symphony (Concert Hall): Mstislav Rostropovich conducting, Carter Brey, cello, Oratorio Society of Washington. Rossini, Schumann, Druckman (world premiere) (Tue, Wed, Thur). Kennedy Center (254 3776).

CHICAGO

Swedish National Orchestra of Gothenburg (Orchestra Hall): Neeme Jarvi conducting, Birgit Finnilae mezzosoprano. Alfven, Mahler, Sibelius (Tue). (435 8111).

Chicago Symphony (Orchestra Hall): Rafael Kubelik conducting. All-Smetana programme (Thur). (435 8111).

BRUSSELS

Belgian National Orchestra conducted by George Octors with Isabelle Flory, violin: Saint-Saëns, Roussel (Fri, Sun) Palais des Beaux Arts.

Emil and Elena Gilels, piano: Palais des Beaux Arts (Tue).

Cinema/Nigel Andrews

Tutti frutti cream and cliché

La Traviata, directed by Franco Zeffirelli
Bullshot, directed by Dick Clement
Class, directed by Lewis John Carlino
Spacehunter, directed by Lamont Johnson
National Lampoon's Vacation, directed by Harold Ramis

Franco Zeffirelli's *La Traviata* is Verdi-flavoured ice cream in several different colours. We have been assaulted by a number of brave attempts to film opera in recent years, the best being Losey's *Don Giovanni* and Syberberg's *Parsifal;* but it's often an ill-rewarded task. One of the thrills of live opera is in the battle between the unaided human voice and the giant spaces of a theatre. I remember an evening at Covent Garden when Montserrat Caballé in *Un ballo in maschero* was eating up the whole auditorium with even her slenderest pianissimi; the voice was flying around the wide enclosed spaces like some inspired, voluptuous bird.

In film there's no possible substitute for that aesthetic excitement. Sound technology takes every element of a natural struggle out of the proceedings, and the inevitable use of dubbing or miming rather than singing "live" divides image and voice into two distinct and differently processed experiences.

Far better to capitalise on that disjunction—as Losey and Syberberg did by an ornate, stand-back Brechtian stylisation—than to pretend it doesn't exist, as Zeffirelli does here. Teresa Stratas as Violetta, whose mouse-waif beauty is like the young Elisabeth Bergner, charges round the scenery warbling multi-decibel arias as if she didn't even suffer from normal human breathlessness, let alone TB. Placido Domingo, in tremendous burnished voice as Alfredo, does better—but even he, bearded like the pard and oft-times frantic-eyed, can't quite suit physical disarray to flawless megaton vocalisation.

Zeffirelli's treatment of the opera is vilely relentless. Everything is seen in one-tones and visual clichés. Colour-filtered photography in Act 1 is in lurid blues and ambers, so that Violetta's party seems to take place in an aquarium filled with whisky, interrupted by intimate moments with Alfredo in the Blueberry Cheesecake boudoir.

Out in the country things are little better. Nature is so gauzed and filtered and soft-focused that we seem to be wandering through a margarine commercial. And when Germont *père* (Cornell McNeil) returns to the house to see Alfredo, after many hours of skeeting in the bushes, he comes in out of a baked-apricot sunset sky that has to be seen to be shuddered at.

The music is whipped up into some fine raptures by conductor James Levine and sung gloriously by Domingo and McNeil. Strates, when not running around like a scalded cat in a nightie, has wonderful moments; notably in the humiliation of the ball scene and the early keenings of the death scene. But she seemed to my lay ears to have mislaid her trill for "Sempre libera" and elsewhere she bears all the signs of having been horribly overdirected by Signor Z.

This film is likely to please all those who think of *La Traviata* as a piece of steam-rolling schmaltz that thunders from one hit number to the next. Anyone who still clings to the fragile but defensible notion that it's a good opera should stay away.

*

In *Bullshot*, "the events you are about to see described would never have happened if our hero had finished off the Fokker in the first place." And so, via verbal double *entendres* and much narrative double-declutching, we motor jauntily through this sapper-satirising ripping yarn about "Bullshot Crummond" and his attempts to save the British Empire. Time: 19-teens. Place: the Home Counties and environs. Villains: a caucus of German spies.

As spoofs go, this cruises pleasantly with some interruptions for engine trouble. Crummond, the former World War 1 flying ace and now British hero-of-all-trades, is played by Alan Shearman with a tweedy swagger and a steely gung-ho eye, which melts only before the gaze of his beloved (Diz White), an English rose who can't pronounce her Rs.

We run the intrepid gauntlet of ambushed Bentleys, giant octopi and hotel luncheons. And we also encounter Billy Connolly as a blind war veteran causing havoc with his stick and Mel Smith as a butler who definitely wouldn't melt in your mouth. The film is to long for its lampoon potential, but it's directed with determination and some style by Dick Clement and photographed with distinction by Alex Thomson.

Class is its very own parody. "You look like a pretty sensitive turd to me," says Jacqueline Bisset, clearly a graduate of the John McEnroe School of Verbal Charm, to high school teenager Andrew McCarthy. This is shortly after they meet in a singles bar and before she ravishes him in a hotel elevator between floors 51 and 52, causing possibly the first ever case of *vertigo interruptus* and marking the start of a fraught romance.

Is Miss Bisset (lately of *Rich and Famous*) going to be making a habit of cradle-snatching? I think we should be warned. Specialising as a star in being at once British and nymphomaniacal—a combination Hollywood can never resist—she's the most perversely watchable item in this Oedipal tale which never quite determines if it's a comedy or a melodrama. (Miss Bisset turns out to be the mother of Mr McCarthy's room-mate, Rob Lowe: with ensuing gasps and rendings of hair all round.) Trapped somewhere between *The Graduate* and *Tea and Sympathy*, the film is directed for full bearings-lost confusion by Lewis John Carlino (of *Resurrection* and *The Great Santini)* and is definitely the oddity of the autumn.

This is a week for holding on to your hat in a high wind of Hollywood eccentricity. *Spacehunter: Adventures in the Forbidden Zone* is a Sci-Fi adventure set on a distant planet, where Peter Strauss fights the frightful foes amid decor that suggests a garage-sale Gaudi and in a 3D format that features—with heroic perversity—no 3D effects.

Stations of the Astounding include the hang-gliding human vultures, the attack of the Michelin men (roly-poly brigands assembled from what look like tubeless tyres) and a *decor concrete* version of the Louisiana swamps with steel-pipe trees and synthetic Spanish moss. Molly Ringwald screeches in déshabillée as the damsel in permanent distress. This film is for curio collectors only.

National Lampoon's Vacation has the best comedy poster of the year, suggesting the ease with which an ordinary family holiday can turn into *One Million Years B.C.;* but the film fell well short of its publicity material. Chevy Chase and Beverley d'Angelo are the couple motoring their children across the trackless wilderness of Route 109, aiming for Walleyworld Fun Park, California.

Most of the accidents that befall them on the way—wrong turnings, collapsible motels, dying aunts—could be considered funny only by an audience of dyspeptic misanthropes. Chase's melon face and ability to mint one-liners try bravely to keep a comic flag flying, but there's no breeze of wit in the script or direction to help.

The week eases its way into final madness with *The Black Stallion Returns*. This is one of those films where the narrative is so surreally implausible that you start to wonder if you are hearing the dialogue correctly. Did the Arab Sheikh really say, "To the wells! I must have a Gitane!"? Only our young hero Kelly Reno would know, here pursuing the black quadruped back to Africa after he (the horse) has been kidnapped in America by a tall white burnoose containing Ferdy Mayne. Once in the Sahara, the boy recovers the horse and drinks deep of the fabulous cinematography of Carlo di Palma. Palma marks the one oasis in this filmic desert.

For the rest, it's better to pass by altogether and re-sample instead Walt Disney's *The Jungle Book*, reissued this week at the Odeon Leicester Square with a new supporting cartoon, starring the famous mouse, *Mickey's Christmas Carol.*

Placido Domingo and Teresa Statas in "La Traviata" (above); Jaqueline Bisset and Andrew McCarthy in "Class"

Lloyds Bank National Screen-writing contest

The Lloyds Bank National Screen-writing Competition, launched recently in the belief that there is a great deal of writing talent in this country which deserves the fullest possible encouragement, is organised by the Oxford Film Foundation and aims to provide a major new outlet for the creative energies of young writers and film-makers.

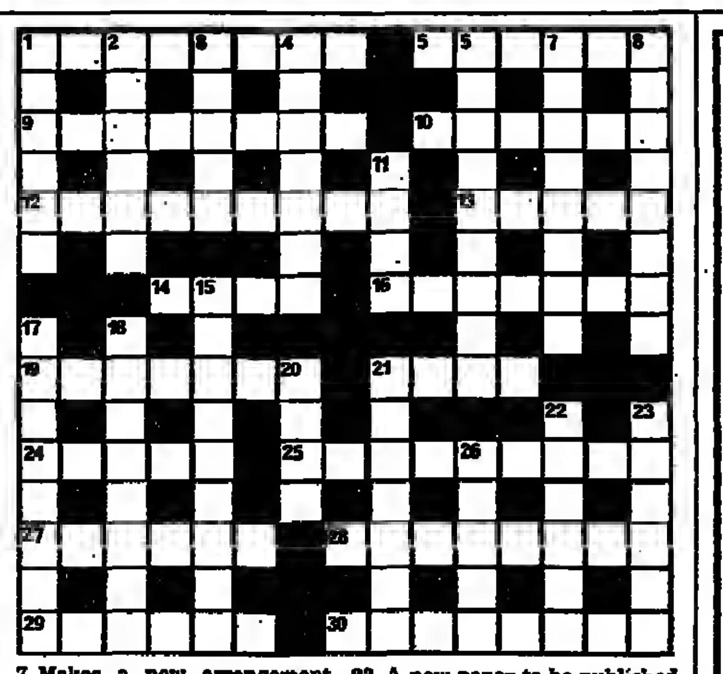
Apart from substantial prizes for the winning screenplays, to be judged by David Puttnam, the winning one will be made into a feature film.

London's four orchestras to collaborate

For the first time ever, London's four world-famous symphony orchestras, the London Philharmonic, the London Symphony, the Philharmonia and the Royal Philharmonic, are to join forces to present a major music festival, *The Great British Music Festival 1925-75* at the Festival Hall from October 23-April 1 1984.

The festival will open on October 23 with a concert by the London Symphony Orchestra, celebrating its 80th birthday season.

F.T. CROSSWORD PUZZLE No. 5,248



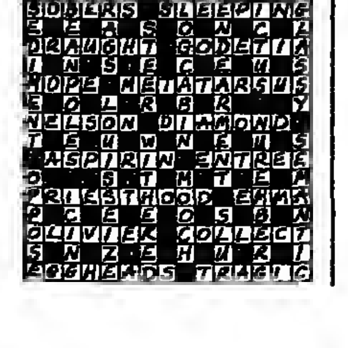
ACROSS

1 The whim of the composer? (8)
5 He takes orders from 1 down (6)
9 Held back free trade when in the red (8)
10 A motto put out for the vegetarian (6)
12 Ring of the cheapest sort? (5, 4)
13 Works in which the unwary get caught (5)
14 Opening for a machine operator (4)
16 Variation in tempo may make things hot (7)
19 I am put in a ruined castle for a stretch maybe (7)
21 It's a type of fuel, God willing, used without hesitation (4)
24 Board has the agreement of the French and German (5)
25 Fast vessel showing the way to others (9)
27 Exact payment for something on another's account (6)
28 Stock reaction to panic (8)
29 Tempt a number to break the ice (8)
30 Strange relics to be found in the cathedral (8)

DOWN

1 Band in the theatre (6)
2 Fresh topics for light-minded scientists (6)
3 Fifty or a hundred turn up to sing (5)
4 A gentle arrangement exhibiting good taste (7)
6 Wild-cat strikes will put him out of work (4-5)
7 Makes a new arrangement when a number break the rules (8)
8 Tell-tale weapon (8)
11 Error the potter has to cover? (4)
15 Chopping up the garlic with apathy (9)
17 Pop article in a French newspaper (8)
18 Clear evidence of what a ship is carrying (8)
20 Some leg of beef (4)
21 Possibly glad I included it in a sort of watch (7)
22 Menace of the Mad Hatter (8)
23 A new paper to be published (6)
26 Times by the score (5)

Solution to Puzzle No 5,247



FINANCIAL TIMES

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Friday October 21 1983

A banquet of self-confidence

A MANSION HOUSE audience very rarely gets the opportunity to size up a new Chancellor and a new Governor at the same banquet, so last night's gathering may have finished its meal with a rather exaggerated sense of anticipation. In the event they heard nothing startling: the incisive Mr Lawson quite deliberately refrained from cutting through the ambiguities of monetary policies and its numerous targets; be simply added another. The new Governor did not seek to defend his recent colleagues in the clearing banks from the new competition they now face, or even from the Chancellor's possible designs on their profits. As might be expected, the new men reaffirmed the existing policies, for the good reason that they are working. But for the alert ear there were quite enough nuances to suggest how policy may evolve.

Securities

So far as the two men are concerned, it seems clear that the new Chancellor is more didactic than his predecessor, and the new Governor rather less so; there should be rather less tendency for the Treasury and the Bank to argue over strategy or even over the technicalities of policy. The old battles over such matters as monetary base control or the use of indexed securities will not be refought, and the Chancellor also gave a clear hint that the grand old Duke of York has finally been pensioned off. If short-term interest rates are to be used mainly to control the narrow monetary aggregates and funding to control the broad ones, then the old tactic of raising short-term rates to create a better market for gilts is implicitly ruled out. This has seemed fairly clear from events during the summer, and the assurance is welcome. The existing, and so far crisis-free techniques, seem to be working well.

However, smooth monetary control is not just a technical question. It rests on confidence, both in the markets and in Threadneedle Street, in the Government's commitment to sound money. When that commitment is firm and clear, markets are not inclined to panic, and the Bank is not tempted to allow the market to bring pressure to bear on the Cabinet through ominous movements in interest rates or the exchange rate—tactics which central bankers regularly employ against governments which arouse their misgivings, though they would never of course admit it.

Indeed, this is one powerful reason why tight fiscal policy does influence interest rates, as the Chancellor claimed, even though the theoretical link is not too strong. Mr Lawson's determination to keep up the pressure against inflation, and indeed Mr Leigh-Pemberton's preoccupation with his role as a supervisor of the markets, both promise lower interest rates in future.

Mr Lawson did more than reaffirm his determination; be came pretty near to forecasting his success. To say at this stage that the underlying trend of inflation is still downwards is clearly a bit risky, and may look more than risky in the next month or two, when the annual rate is likely to creep up. It is true, though, as he claimed, that inflation has up to now fallen faster than the main stream forecasters bave hoped. Future progress will be easier if price and wage setters can be persuaded to believe in it, and if events match Mr Lawson's forecasts, he may be able to influence expectations in a way that Sir Geoffrey Howe, with his native caution, did not choose to attempt. This is an interesting exercise in risk-taking.

Investment

On the international side both speakers stressed the importance of reviving direct investment to finance development in the third world, which is welcome; neither, though, addressed the problem of reconstructing existing debt in any clear terms. The Governor asked other countries to pay more regard to the effects of their policies on exchange rates—a theme we hope the Chancellor will take up.

Finally, an interesting omission: while both stressed the need to contain public spending, there was little of the doom-laden atmosphere of some of the leaked projections which have been debated in the last few days. Perhaps that panic was indeed overdone.

Words and deeds in Greece

MR ANDREAS PAPANDREOU and M Francois Mitterrand both came to power in 1981 pledged to regenerate their countries by the vigorous application of socialist policies. Two years later neither man is in sight of achieving so lofty an aim; but their positions are vastly different.

M Mitterrand has moved France closer to the mainstream of Nato thinking, especially on the issue of intermediate range nuclear weapons. At home, the French Government has been forced into a position of economic realism.

Mr Papandreou, too, bas had to face facts, but has done so only intermittently. He came to power threatening to take Greece out of Nato and the European Community and to close U.S. bases in the country. None of that has bappened, but Mr Papandreou has contrived to alienate his allies, America inclnded, and his fellow members of the EEC.

At a mass rally in Athens on Tuesday, the Prime Minister was heartily cheered for saying that Greece was in the forefront of the fight by the European people for peace. For bome consumption that may have sounded fine: but in terms of the real business of international politics it is wildly unrealistic.

It is hard to believe that Mr Papandreou does not know that. Equally be must know bow flimsy is his claim to heve made Washington sign an agreement that would eventually lead to the closure of the U.S. bases. The agreement leaves quite open what happens after its expiry in 1988.

Point

Athens has made its point with the EEC that the terms on which Greece joined may need revision to cushion the impact of full scale competition from western European industry on an inadequately developed Greek economy. So neither Mr Papandreon's policy towards Nato and the bases nor towards the European Community has been disastrous in substance. But its manner has been at times deplorable—not least when Greece prevented a unanimous condemnation by the Ten of the destruction of the Korean airliner by Soviet fighters.

That was a breach of the convention that the EEC presidency, which at the moment rests with Greece, strives for consensus in the various Community bodies. The Community, and no less Nato, always will have to cope with differences of national opinion. But Mr Papandreou's Greece bas come close to questioning some of the fundamental assumptions of both bodies.

Exposed

To do Mr Papandreou justice, be is in an exposed position at home. He has been driven towards more realistic policies, but only spasmodically, because his political position is less secure than that of the socialists in France. The popularity of his Pasok party has been flagging, but in contrast with France, the political tide is moving leftwards. Inside the party, the more strongly socialist wing came out on top in a recent cabinet reshuffle; outside, It is the pro-Moscow KKE communist party that stands to gain, rather than the New Democracy party defeated in 1981.

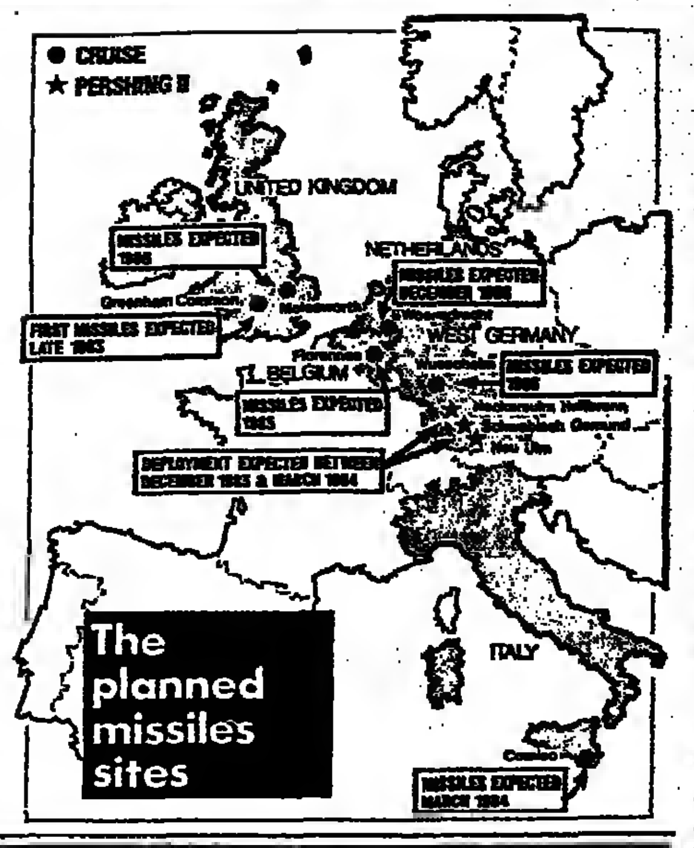
Moreover, one must recognise that Mr Papandreou's behaviour is in part a reflection of a widespread malaise which is affecting both Nato and the Community. It is tiresome to pretend that Greece can aspire to a non-aligned policy in East-West relations; but there is no denying that all Nato countries are currently riven with controversy over the role of nuclear weapons and arms control and over the best way to deal with the Soviet Union. The task for Nato governments is to develop policies which command more confidence and inspire greater consensus. As a by-product they would reduce the occasions for Greek excesses.

Similarly, much of the European Community's future is now in suspense as the member states march towards the deadline of the Athens summit. In that negotiation, many old vested interests will be threatened, and Greek awkwardness will be just a marginal factor. If it is brought to a successful conclusion, Greece should have less reason, and should be given less opportunity, for trouble-making.

Europe's peace movement

Why the 'hot autumn' is such a vital test

Ian Hargreaves sets the scene for this weekend's rallies



The planned missiles sites

THIS was always likely to become the European peace movement's hot autumn; the moment when the strength drawn from three years of marches and blockades would be tested against the political reality of stalemate in the Geneva talks and a Nato decision to proceed with deployment of its new generation of nuclear missiles, cruise and Pershing II.

Of course, it is still possible that some 11th hour development in Geneva will change everything, but few people expect it. So the peace movement is preparing this weekend and next to mount the biggest public demonstrations in Europe's post-war history. German campaigners believe that 3m people will have taken to the streets by Saturday. Europe-wide, it will probably be a march of 5m.

But even as it measures up to its mightiest effort so far, the peace movement is divided about where it should go next and the means it should use to get there.

One of the main tactical divisions concerns the use of direct action; not so much whether it should be used—that has ceased to be an issue even in Britain—but the extent to which it can be relied upon as an effective weapon. Should it be chiefly symbolic? Should there be a real attempt at mass disruption? Or self destruction? (A hunger strike "without limits" recently ended in Germany.) Should protesters deliberately try to "fill the jails"?

"The peace movement will attempt to make the Greenham Common base inoperable," says Professor E. P. Thompson, a leader of END (European Nuclear Disarmament). "There will be a peaceful guerrilla campaign of resistance." The Council of CND, however—the main British peace group—recently inserted the word "symbolic" in front of its call to direct action on the weekend of December 9-11. "It has to be symbolic," says Bruce Kent, the urbane Catholic priest who is CND's general secretary. "Martin Luther King was symbolic."

"I am no longer afraid of the streets," says Heinrich Boll, the Nobel prizewinning author, who took part in the blockade of a U.S. base at Mutlangen last month. Gunter Grass, another literary figure of great importance on the German left, insists that "only resistance will work," choosing the word resistance ("widestand") carefully for its evocation of the anti-Hitler movement. "Let no one say they didn't know," is a favoured slogan of the German peace movement.

Then there is the problem of whether the party political mainstream offers a course to eventual victory or a seductive backwater of self-delusion for the protestors. With the SPD in Germany and the Labour Party in Britain now under new leadership and both firmly anti-missile, this issue is growing in importance.

Mr Neil Kinnock, the Labour leader, will be on the CND platform on Saturday, whilst in Bonn Herr Willy Brandt, the elder statesman of the SPD left and chairman of the party, will also deliver a major speech to a peace rally. The decision this week of the German peace movement co-ordinating committee to invite Herr Brandt—a decision contested by more radical members of the committee—represents a significant move in the SPD's attempt to embrace the Green vote and take on a leadership role in the campaign against cruise and Pershing.

But the biggest difficulty of all for the peace movement is what to do after Christmas by which time, it seems certain, Pershing and cruise will be on station in Germany and Britain. Having, to a degree successfully, focused public opinion upon the American missiles and away from its own less popular underlying goal of total nuclear disarmament, the peace movement will have to find new objectives which seem at least potentially attainable and which have appeal in the middle ground of opinion. Without such goals, the entire movement is in clear danger of deflating, as CND did in the 1960s.

These questions are being most hotly debated in the German and British movements, precisely because they are the countries of first deployment. Italy—following a politically fortuitous delay in construction work at the Comiso, Sicily, cruise sites—will not receive its first missiles until next spring. Belgium and the Netherlands are not due to accept missiles until 1985 and 1986.

This has meant that the build-up to the October demonstrations has been less tense, both within the and outside the peace movements in Holland and Belgium where, previously some of the largest demonstrations have taken place.

In Belgium, the latest opinion poll published by La Libre Belgique in September showed 77 per cent of Belgians against cruise deployment. But the Christian Democratic Party, the majority partner in the Government, remains quietly committed to the Nato timetable for deployment, whilst consciously trying to generate a relaxed air about the latest Brussels demonstration. The police presence is expected to be discreet and the state railway has even laid on special fares for protestors.

In practice, the Government believes it can delay a final decision on cruise until next year, when the outcome of a parliamentary vote of confidence on the subject will clearly be much affected by developments between now and then in Britain and West Germany.

In the Netherlands, early talk from the church-dominated IKV peace movement was of a demonstration of one million people in the Hague next week, but these forecasts have been scaled down in the face of opinion polls which suggest support for the Dutch peace campaign—in proportionate terms the biggest in Europe—may be ebbing.

A year ago, 76 per cent of people polled wanted to reject cruise under any circumstances. Two recent polls put the figure for outright opposition at only 34 and 25 per cent, perhaps a reflection of perceived Soviet intransigence at Geneva. The Dutch situation is also complicated by a widespread feeling that the Parliament and perhaps even the Cabinet will split badly on any eventual deployment decision, whatver the size of the demonstrations and whatever the outcome in Britain and West Germany. Holland has always been the most likely country, in practice, to refuse the Nato missiles.

Italy, as usual, is a special case. All the parties of the governing coalition, including the Socialist Party of Prime Minister Bettino Craxi, are in favour of the American missiles, which they see as part of a continuum of foreign policy which has enabled Italy to keep its own defence budget very low by Nato standards.

The Communist Party officially opposes cruise, but because of its search for political respectability and a consequent desire to distance itself from the Soviet Union, the party has been in practice happy to allow the missiles issue to go undebated. Cruise missiles were scarcely mentioned in the June 1983 general election campaign.

Italy's peace movement, as a result, operates very much at the margins of political life and is not well organised. It is supported enthusiastically only by three tiny parties of the far left and, because of the prevalent influence of the Vatican, lacks even the church support which is an important factor in other countries. The main trade unions, because of their tight connections with the main political parties, have also kept their distance.

At least in Brtain and Germany, the peace movement no longer has to worry too much about marginalisation.

In Germany, although Herr Kohl's election victory this year provided electoral vindication for the Nato twin-track strategy devised by his predecessor, Helmut Schmidt, the missile question remains at the centre of the political stage.

Since taking over from Herr Schmidt as leader of the SPD, Hans-Jochen Vogel has tried unsuccessfully to hold back his party from outright opposition to cruise and Pershing, but a wave of local party votes in recent months guarantees that the party congress in November will vote overwhelmingly for an unconditional "no." Herr Brandt has been a key figure in repositioning the party, which has not yet, however, addressed the complex questions of what kind of defence policy it does want. Indeed, the party has so far stopped short of any plain declaration that it will remove cruise and Pershing unconditionally if returned to power.

Although characterised by its opponents as being under the domination of the East Berlin-backed Communist Party, the peace co-ordinating committee is in fact broadly based, with especially strong roots in the Evangelical Protestant Church, which played an important role in launching the 1980 Krefeld Appeal against the twin-track strategy. The appeal has now been signed by almost 5m people.

German trade unions, although traditionally at most lukewarm supporters of the campaign, have recently become more active, in line with the changing SPD view. A country-wide five-minute strike against the missiles last month was the first widespread industrial action the European campaign has yet managed.

One element unique to the German movement is the so-called "autonomen," whose political culture contrasts starkly with the nonviolent approach of the main body of the protesters. Based in politically radical cities such as Berlin and Bremen, several hundred autonomen often turn up at peace demonstrations, wearing leather jackets, crash helmets and bearing iron bars. Their politics are essentially anarchist.

According to polls, a steady if slim majority of Germans oppose missile deployment, so the issue will remain to haunt German politicians, whether in the form of renewed debates and demonstrations each time another flight of Pershings is installed, the emergent discussion about "dual key" control of the missiles or, as many fear, in the spawning of a new generation of political terrorists.

In Britain, the bipartisan consensus about modernising nuclear weapons has been technically in abeyance since the fall of the Callaghan Government in 1979, but it is only with the election of Mr Kinnock that the party leadership has begun to look truly committed to the long haul of a strategy for unilateral nuclear arms reductions. This strategy is now also strongly supported by the TUC and individual unions have, since the General Election in June, started to put serious amounts of money and effort into backing the anti-nuclear campaign.

CND, which is much the most centralised and structured peace organisation in Europe, has also, in spite of Labour's humiliation at the polls, continued to grow. National membership has risen from 50,000 to 70,000 this year (it was only 9,000 in 1980) and if numbers affiliated to local groups are counted, CND probably has almost 250,000 active supporters.

The Government argues that these figures represent a lagging indicator and that CND is already a spent force. Mr Michael Heseltine, the Defence Secretary, in what CND considers a straight piece of gamesmanship, has scrapped the special unit he set up earlier this year to monitor and counter CND's activities.

Certainly there have been recent signs of strain within CND—a move to discipline extreme left elements within Youth CND, continued friction over the role of hard line feminism in the peace protest, the debate over direct action and, most important of all, the differences of view over campaign priorities. The CND leadership has decided to stress the freeze theme, which chimes in with the American movement, and has been accused of trimming.

Mgr Kent argues that all these differences are evidence of vigour in a movement which is, by its nature, resistant to excessive central control.

What all this means is that the peace movement once again finds itself at a crossroads. It has built up an enormous public presence, but still does not have a single, tangible victory to its credit.

The tangible successes of the last year: the breaking of the political consensus on nuclear arms in the two most important European Nato countries; the effective internationalisation of the campaign to the U.S. through the freeze movement and the continued negative rating for cruise and Pershing in European opinion polls are of great importance, but they are not necessarily decisive.

If in the next 10 days the campaign can demonstrate once more that it is still growing, then there is a good chance that it can regroup around such issues as the role of the Anglo-French nuclear forces in the superpower balance and the decision on Trident, enabling it to work purposefully though the SPD, the Labour Party and the socialist parties of Holland and Belgium.

Should the evidence from the streets of Bonn, Brussels, The Hague, London and Rome be that the peace issue is losing its ability to draw a crowd, it could be for the movement a mortal blow.

Additional research by James Buchan, James Buxton, Paul Cheeseright and Walter Ellis.

Riot police carry away an anti-nuclear demonstrator after breaking the blockade of a West German army headquarters.

Men & Matters

Stout fella

Arthur Guinness and Sons, under the direction of Ernest Saunders, group chief executive these past two years, bas discarded more than a hundred activities and has moved back strongly into international brewing which now accounts for about four-fifths of the group's £1bn annual turnover.

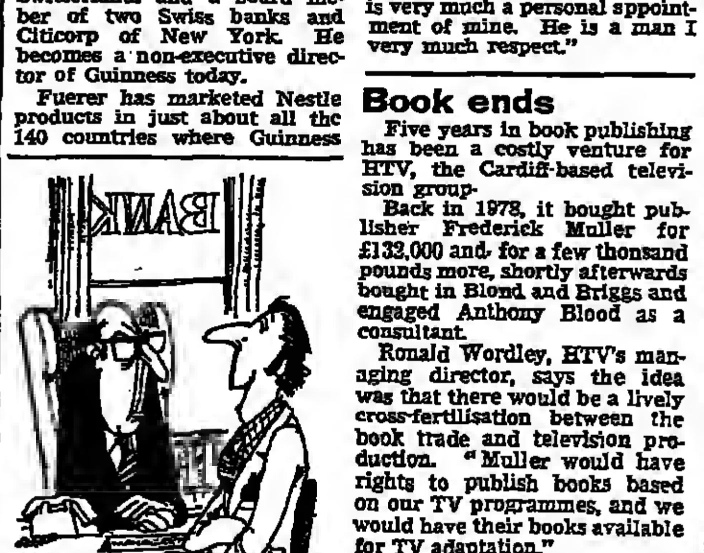
But Saunders, 48 today, believes his greatest single coup for the company, and a birthday present to himself, has been to secure the services of his old mentor, Swiss business leader Dr Arthur Fuerer.

Fuerer, aged 62, is chairman of the board of Nestle of Switzerland, and a board member of two Swiss banks and Citicorp of New York. He becomes a non-executive director of Guinness today.

Fuerer has marketed Nestle products in just about all the 140 countries where Guinness is now selling three-quarters of its products—the other 25 per cent slips down throats in Britain and Ireland. "He is a very interesting and important appointment for us," says Saunders.

After a spell with Beecham's, Saunders worked under Fuerer as one of a six-man management team at Nestle. Saunders sees him as something of a father figure whose background in international finance and aggressive marketing will add muscle to the Guinness boardroom.

And, in answer to the obvious question: Saunders says "No, there is no prospect of any merger or alliance between Nestle and Guinness. Dr Feurer is very much a personal appointment of mine. He is a man I very much respect."



"I notice that you've agreed to Brazil's debts being paid off by 1988 and I was wondering"

Book ends

Five years in book publishing has been a costly venture for HTV, the Cardiff-based television group.

Back in 1978, it bought publisher Frederick Muller for £132,000 and for a few thousand pounds more, shortly afterwards bought in Blond and Briggs and engaged Anthony Blood as a consultant.

Ronald Wordley, HTV's managing director, says the idea was that there would be a lively cross-fertilisation between the book trade and television production. "Muller would have rights to publish books based on our TV programmes, and we would have their books available for TV adaptation."

Five years and publishing losses, net of taxation, of £977,000 later, Wordley says: "It didn't work out. We made a mistake."

It was announced earlier this year that HTV had disposed of Frederick Muller, Blond and Briggs, for a nominal sum. For £1,000, according to today's report and accounts to Anthony Blond, and Muller's managing director, Antony White.

Blond says: "At HTV, we were compared to an old tramp steamer, buffeting against the tide. Now we look more like a catamaran, bnt the wind is shifting in our favour."

Bonn marche

Bonn's city fathers have adopted a very business-like attitude towards the hundreds of thousands of anti-nuclear demonstrators expected to pour into the West German capital tomorrow.

A brochure has been printed for the protesters, including a helpful map marking the embassies of the nuclear powers and a place for building human chains in front of the Chancellery.

"At demonstration time," it adds, "Bonn, naturally, is not its usual self. But every day, Bonn is full of life, youthful, jolly, easygoing and charming."

When not making use of their "right to demonstrate," it suggests, visitors might like to spend their time—and money—seeing the sights, which it lists.

The brochure ends by providing some useful telephone numbers, headed by that of the police.

Attractive trade

Beecham, it seems, could catch a slight cold in the perfumes market.

The company's U.S. subsidiary, Jovan, has created a stir in America with its pheromone-based fragrance, called Andron.

Pheromones are the chemical magnets by which some insects such as fruit flies communicate their interest in one another.

Since 1981 the Chicago-based company has been promoting the fragrance for men and women in ads which ask: "Is physical attraction based on chemistry? Spray on Andron and collect your own proof."

But, in the meantime, some smaller players have got into the UK market ahead of Beecham with their own brand of pheromones. Advertising mainly in small, classified ads, these companies have been making their claims rather more baldly.

One of these ads found its way to the Advertising Standards Authority. Its decision is not too surprising. "We upheld the complaint," states an ASA spokesman. "We do not see how companies can say the product is a human sexual attractant (sic)."

Keen disappointment at Beecham. Nevertheless, Andron will be launched with full TV support in Britain, and the company is confident that some of the extra cachet of pheromones can be communicated without the aid of claims which will upset the Advertising Standards Authority.

The good life

To identify the wondrous things that are right there in the white heat of British technological development we should properly turn to the annual report of the National Research Development Corporation, now part of the British Technology Group.

For here is a body working, "to promote the development of technology throughout British industry, and to advance the use of British technology throughout the world."

Its current investments in industry do not disappoint. They cover celery handling equipment, ornamental plant breeding, sand separation, soap making, broiler litters, and miniature steam engines.

Everything is there to make life comfortable on a desert island. Do they know something we don't?

Observer

POLITICS TODAY FROM DUBLIN

Divorce, milk and Irish unity

By Malcolm Rutherford

PARLIAMENT RETURNED this week after its long summer recess with its eyes firmly sat on the Criminal Justice Bill and public expenditure. But it wasn't Westminster; it was the Dail.

There was also a dramatic rescue act of a motor insurance company reminiscent of Vehicle and General in the early 1970s; and, for good measure, Prince Saud, *the Foreign Minister* of Saudi Arabia arrived on an official visit—and not, as the Irish said, "just to buy a racehorse".

The similarities between British and Irish politics today are striking, even if tha Irish still seem to be a few years behind the times.

In no particular order of importance, tha main preoccupations in Dublin seem to be divorce, the Common Agricultural Policy, law and order, public spending, oil, and the New Ireland Forum. Some of them overlap and have a great deal to do with the future of Anglo-Irish relations.

Divorce is tha stunner. Only a few weeks after the Irish conducted an inconclusive referendum on abortion, in which only about half the people voted, divorce is on the political agenda.

Changing and liberalising the constitution

There is now a Committee on Marital Breakdown in the Dail, dua to report by tha middle of next year. The Irish Labour Party, the junior partner in the coalition, wants a referendum on the matter before the present Parliament is out. And even the Irish Church, or sections of it, is now said to be reconciled to the inevitability of divorce in due course.

Tha issue has a distinct relevance to relations with the North. If the Irish Republic can be seen to be changing and liberalising its constitution, prospects for some sort of reconciliation throughout the island might be improved. That consideration is certainly in the minds of leading politicians, though another factor is simply that if Ireland is to be a modern state, the acceptance of divorce is one of the concomitants.

What happens to the Common Agricultural Policy, too, has its bearing on relations with Britain. Unlike the British, tha Irish prefer to speak of its "adaptation" rather than its "reform."

And there lies a tale about Irish membership of the European Community.

Rather like the French at tha very beginning, the Irish joined tha Community in the expectation that their agriculture would benefit. At the start, it did. But the problem is that they have been ont-produced—out-milked—by the more intensive farming methods in northern Europe.

The dairy industry accounts for nearly 10 per cent of Irish GNP. But the Irish milk yield is only 74 per cent of the Community average and less than 60 per cent of that in comparable farming areas. At tha same time, the Common Agricultural Policy works by aiding efficient producers.

The European Commission has proposed a "super-levy" of 70p a gallon on all milk produced above tha levels of 1981 as a way of reducing the surpluses. But the Irish say that that is aimed against them because they started from such a low base. Even a Commission suggestion that the base year for Ireland might be 1985 is being dismissed as totally unacceptable because it will be many years before Irish yields will be abla to compete with the best. Irish cows still wander about in fields munching grass, rather than in intensive farms consuming substitutes imported from the U.S.

In a sense, what the Irish are asking is that they should be subsidised to contribute to the surpluses along with everybody else. But they do have a case in that the Community is no longer being seen as very beneficial to what is still a poor country. Perhaps it would be better to aid the Irish in other ways—through regional and social policy for example. Yet the Irish themselves are still sticking out for enlarged Community spending, much of which would go to agriculture in the traditional way.

Ireland's Prime Minister Dr Garrett FitzGerald (right) and his predecessor Dr Charles Haughey—both backing the New Ireland Forum.

Soma of the language being used is quite strong. A senior official spoke of "vital national interests" being at stake, though how far such a small country could exercise a veto must be open to question. Still, the Irish are talking about trying to block exports of New Zealand butter to Britain and the matter is taken sufficiently seriously by the British for there to have been Anglo-Irish talks in London yesterday.

The matter could rub off on Anglo-Irish relations in other ways. Mrs Thatcher and Dr Garrett FitzGerald, the Irish Prime Minister, are due to resume the Anglo-Irish summit meetings in London next month. The Irish word for this is "normalisation" after the not very satisfactory relations between Mrs Thatcher and Dr FitzGerald's predecessor, Dr Charles Haughey—though Dr Haughey says in extenuation that the promising start to his dialogne with London broke down almost entirely because of tha hunger strike in the Maze Prison and the British handling of it.

At any rate, the time has come to try to pick np the pieces. Agriculture and the reform of the Community budget apart, the omens are quite promising. Ireland now has a government which should be there for a good three years, and so has Britain. At tha same time, there is the first glimmering of a breakthrough in that the Republic is seeking to come up with its own ideas on the Irish question.

The work is being dona through the New Ireland Forum, backed by the two governing coalition parties, Mr Dick Spring's Labour Party and Dr FitzGerald's Fine Gael, Dr Haughey's opposition Fianna Fail and the mainly Catholic Social and Democratic Labour Party in Northern Ireland. Sinn Fein is emphatically not included because of its refusal to renounce violence. Various Ulster Unionists have been invited, though only a few have mada submissions and those were in an individual capacity.

Tha Forum is already slightly behind schedule. It is not now expected to produce its conclusions until early in the new year. But that could be an advantage as far as the talks with Mrs Thatcher are concerned. It will enabla the Irish to say they are doing soma detailed work on the future of the island and to invita the British to take note of it for a further, and much more decisive, meeting.

Whether the Forum will reach agreed conclusions is still an open question. There is a good deal of scepticism about how far Dr FitzGerald and Dr Haughey will stay together—they are not natural soulmates—thongh my own impression from talking to both of them this week is that they will try very hard to make a go of it. Dr Hanghey claims that it was largely his idea in tha first place, which gives him an additional reason for cooperating. Both men are aware that they would look very silly if tha initiative were to peter ont in internal wrangling.

Tha other open—and ultimately crucial—question is how far tha Fornm will drop the insistence on Irish unity. Dr Haughay was not absolutely categorical about this. He said that he did not necessarily envisage a unitary state like (say) France and cited the example of Scotland to show that there could be different arrangements within one stata. There were, he added, very many possibilities around the theme of joint sovereignty.

Yet it seems clear that, within the Forum, Dr Haughey is seeking to push his own views. These are rather "greener" or more nationalist than those of Dr FitzGerald, but are not wholly inflexible. The main point is that the Irish have accepted that it is incumbent on them to come up with their own realistic proposals for future relations between London, Dublin and the North.

These may still emerge as a list of options rather than as a single preferred solution. But after that it will be up to Britain to respond, which means in turn that it will be the Anglo-Irish summit meeting next year that really matters.

It remains that there is still a good deal of opportunism in Irish politics and anything could happen. This week Dr Haughey was busy jettisoning the austerity programme, "The Way Forward," on which he fought the last general election and beginning to argue instead for what he called "cautious reflation." It was notable, however, that ba was backing the Govarnment to the hilt on measures to enforce law and order which, along with unemployment, have become the main talking point in Dublin.

The ace up the Irish sleeve is oil: hence the presence of the Saudi Foreign Minister with whom the Irish hope to sign a technical co-operation agreement. The main question is no longer said to be whether the oil exists and is exploitabla but how much there is. At the very least, it seems that there will be net self-sufficiency, possibily a lot more. An announcement is expected in January.

Crucial question for the New Ireland Forum

Irish Ministers and officials say—a trifle smugly, I thought—that they have studied the lessons of Britain, Holland and Norway, and that they will make sure that their own natural resources are not squandered. None of the finds, they insist, have been mortgaged in advance. That may be an exaggeration. The economy is looking better in terms of rising manufactured exports and a fall in inflation — down to 11 per cent this year. But there is a long way to go. Still, an Ireland with oil to spare will be a different Ireland.

Lombard

Empire-builders in the town halls

By Robin Pauley

FOR MUCH of the time since tha Conservatives came to power in 1979 tha debate about local government services and finance has centred on tha issue of local autonomy and democracy. This is because of the increasing tendency of the Government to erode the constitutional independence of local councils. The need to defend local authorities' constitutional position has distracted attention from many other questions within the local *government* purview, ona of the most important of which is: who is employed by local councils and why?

Manpower costs account for around 60 per cent of local government's total current expenditure, estimated at around £20bn in tha current year. And in aggregate real council spending has not fallen by a penny piece since 1978-79. Manpowar, after dipping slightly, is on the move upwards again. Between June 1982 and June 1983, in spite of the pressure exerted on council spending through government penalties and vocifarous ratapayers, English town halls recruited an extra 1,910 full-time and 10,932 part-time staff taking tha total (excluding law and order services where government policy is to increase numbers) to the equivalent of 1,892,301 full-time jobs.

Two writers now postulate that tha position is worse even than it appears. Mr David Walker, a former secretary of Camden Labour Party's Local Government Committee, claims that the municipal system is an astonishing power block controllad by the professionals who run the schools and social services and "by the administrators and councillors who operate tha machine in a bureaucratic darkness rarely pierced by public inspection."

Local government is, he says, a vehicle for professional self interest. Professional groups acquire a disdain for controls, especially political controls. It is local government's failure to grapple with professional power and to manage its own increasing manpower which Mr Walker sees as the root cause of the alienation of the rate-paying public.

Throughout his book, Municipal Empire, Mr Walker exaggerates greatly for tha sake of effect, persistently generalising from the particular. Nevertheless, he highlights the vital issue of power-broking and interest groups in local politics—a theme whicb Mr David Green, a former Labour councillor, also covers in tha forthcoming relaunch issue of Economic Affairs magazine to be pnblished on Monday.

He describes the activities in Newcastle-upon-Tyne of tha local government union, Nalgo, which has taken determined and disruptiva stands against tha elected Labour council's decisions to make some cuts. Such actions circumvent and limit the democratically elacted council's room for manoeuvre.

Because private sector competition formed no part of their philosophy Newcastla's Labour councillors were left with the choice only of disciplinary action against union members (risking more disruption), or soldiering on. They chose tha latter, somatimes accepting defeat or delays, sometimes compromising, but invariably at a cost to the ratepaying populace of Nawcastla.

Mr Walker argues that Nalgo should not stand in the dock alona accused of running municipal Britain for its own benafit. Ha includes tha Polica Fedaration, Association of Chiaf Police Officers, British Association of Social Workers, Secondary Haads' Association, tha Institute of Environmental Haalth *et al.*

"Eventually tha public service class is tempted to reintarpret tha purpose of municipal administration. Providing jobs and incomes for functionaries can assuma as much importance as satisfying the consumers' needs."

Both these works reinforce the view that a fundamental review of local governmant structure and financing is urgently required — a review which starts with the question, in Mr Walker's words: "Does this particular service demand collective provision?"

Municipal Empire, Mr David Walker; Maurice Temple Smith, £8.95.

Industrial Relations in Local Government, Mr David Green, Economic Affairs Volume 4 No 1, October 1983, Institute of Economic Affairs, 2, Lord North Street, London, SW1.

Letters to the Editor

Issues of the Stansted Airport inquiry

From the chairmen of the Essex and Hertfordshire county planning committees.

Sir,—It is with growing concern that we see the recent coverage given to the British Airports Authority's arguments for daveloping Stansted as London's Third Airport. Hertfordshire and Essex County Councils are among the many other organisations and individuals representing a range of views, which gave evidence at the expensive 258-day Inquiry which finished in July. All the evidence currently rests with the Inspector, Mr Graham Eyre QC, who is expected to report to Government early next year. It is hoped thare will then be a Parliamentary Debate before a decision is taken.

We can only conclude from the energetic campaign now mounted by the BAA that they are extremely nervous of the outcome of this process and seek to recover lost ground by means of such promotional matarial and advertising. Wa therefore seek to correct a number of misleading impressions which your readers may have gained.

BAA claim a doubling of the number of air passengers over the next decade which in turn makes new airport development urgent. The Government and other informed forecasters do not expect more than a 60 per cent increase over that period. This is significant, given existing developments (Heathrow Terminal 4 and Gatwick Terminal 2), because new capacity is not now reqnired until 1996 at the very earliest. Governmant therefore has time to make a sound decision and need not be panicked into choosing Stansted on grounds of expediency.

Stansted already operates successfully, say BAA. Wo are prompted to ask whether it would operata at all if it were not heavily subsidised by profitable operations at Heathrow. Moreover, the myth of *Stansted's* convenience to London has been effectively challenged at the Inquiry.

The BAA grudgingly admit in their advertising "There is talk of building a fifth terminal on the Sewage Works west of Heathrow." Sir, there is a proper planning application for a fifth terminal between the runways at Heathrow—a far superior location to their fourth terminal currently undar construction. It has been subject to the same rigorous examination as the BAA's proposal for Stansted during the recent inquiries. The proposal is a robust one and wholly supported by the airlines who regard Stansted as commercial madness.

The BAA claim that a fifth terminal at Heathrow will cost £100m more than Stansted. Evidence has been produced at the inquiries to show that if *all* the necessary investment is considered then Stansted could be as mnch as £800m more costly than Heathrow. More to the point, we have no doubt that business interests would queue up to invest in Heathrow but not risk a penny at Stansted.

K. S. Hill.
Chairman of County Planning Committee,
Hertfordshire County Council,
County Hall, Hertford.

R. G. R. Daniels, JP,DL.
Chairman of County Planning Committee,
Essex County Council,
County Hall, Chelmsford.

Cost of development

From Mr T. Taylor

Sir,—I have read with interest Michael Donne's article "Waiting for the inquiry result" in the Airport Planning Survey (October 12).

May I suggest that the *British* Airports Authority claim that the development cost of Heathrow Five would be less than the development of Stansted (a claim repeated in its advertisement) is extremely misleading. We probably have to believe that its own costs may be less but its figures certainly do not take into account the costs which would have to be borne by other people.

Roads—local authorities will have to provide approach roads, not to mention the huge cost of extending the M11 into central London; rail — British Rail would have to build a new link inm London as well as having to spend considerable sums on road crossings etc on the existing; above all, land and housing—even at the first development stage (up to 15m passengers per annum) nearly 30,000 employees with their families would have to bo housed and this would at least double should the capacity reach 50m passengers pa (this does not include the schools, hospitals, shops and other facilities which would be required to support such a population influx).

The fact is that Stansted, unlike Haathrow, is a rural area which would require a huge investment to provida the infrastructure to support such a massive airport development. It will make the total cost, even allowing for the removal of the sewaga works, vastly more expensive than the Heathrow alternative.

Incidentally, to refer to Stansted as developing an existing airport is also very glib. *The plans envisaged an airport* of 5,800 acres against a present area of something under 900 acres which surely puts it into a category of a "green field" development. Certainly plenty of prime agricultural fields would be concreted over if the Stansted development is allowed to proceed.

T. F. Taylor.
Bonnyvale, Back Lane,
Sheering, Nr Bishops Stortford, Herts.

Analysis of petroleum statistics

From the Director-General of the UK Petroleum Industry Association

Sir,—Prof Odell (October 13) has mado a superficial analysis of 1982 petroleum statistics which is in part misleading.

Drawing attention to the fact that some 60 per cent of indigenous crude oil was axported, he fails to mention that substantial quantities of lower grade foreign crude oils were imported, to achieve the overall feedstock balance appropriate to UK refineries. In fact, the 68m tonnes of crude refined during the year comprised 40.3 m/t indigenous and 27.7 m/t imported.

In addition 9.4 m/t of process oils, mostly of lower value than crude oil, were upgraded by UK refiners; these included some imported materials which statistically were classified as imported products. Tha net trading balance in genuine finished products was almost exactly even — 12.6 m/t exported and 12.5 m/t imported. This latter figure was admittedly unusually high, mainly owing to exceptional demands made by reason of the Falklands conflict.

In 1981, exports of products exceeded imports by 3 m/t, and for the first nina months of 1983 the surplus is running at about 3 m/t.

Measures taken to reduce supply costs, including closure of uneconomic refinery capacity and importation of chaaper crudes and process oils, cannot logically be components of tha higher comparative cost pattern imagined by Prof Odell.

Douglas R. Harvey.
9, Kingsway, WC2

Politics in Pakistan

From tha Minister (Information), Embassy of Pakistan.

Sir, — Mr John Elliott's despatch from Islamabad (October 14) says that rioting in Pakistan had caused np to 140 deaths and up to 6,000 arrests. This seems to be an exaggeration. Inquiries made by us from tha authorities in Pakistan show that in the past eight weeks, a little more than 3,000 persons were arrested, mostly in the province of Sind, and more than half have been let off after questioning. More are being released. The number of deaths, including police personnel, is less than 50.

By and large, the violence triggered by the political agitation launched on August 14 by the Bhutto clan and their allies remained confined to a part of their home province of Sind. Organised violence did not spill over to the other provinces. This shows the localised nature and dimension of the agitation conducted by the Pakistan People's Party and its supporters. As of now, it appears to have subsided. Inter-provincial supplies and commerce are in good shape.

The failure of the Bhutto clan to mount a nationwide campaign against the present Government has exploded the myth, purveyed in a section of tha British media, that the PPP and the Bhutto ladies command countrywide support in Pakistan. Repeated appeals from Mrs Nusrat Bhutto to the people of the majority province of the Punjab to revolt against the Government had no effect there. The *PPP's* attempt to disrupt the election of some 57,000 members of the local bodies last month flopped.

President Zia-ul Haq has now begun a dialogue with political leaders as a part of his political process that would lead to the promised general elections for installing provincial and federal legislatures and transferring power to the people's elected representatives within the next 18 months. Apparently tha vast majority of Pakistanis prefer peaceful elections instead of tha politics of violence and terrorism preached by the pro-Bhutto militants.

Qutubuddin Aziz.
35, Lowndes Square, SW1.

FINANCIAL TIMES

Friday October 21 1983

Israel set for agreement to guarantee bank shares

BY DAVID LENNON IN TEL AVIV

ISRAEL's commercial banks and Treasury are set to sign a unique agreement under which the Government will ensure a base price for bank shares on the Tel Aviv stock market, without any corresponding transfer of control of the banks to the Government.

"It is the clear intention of the Government to maintain a free banking system within the framework of the regulations that existed before the bank shares agreement," explained Dr Moshe Mandelbaum, governor of the Bank of Israel. "The arrangement contains no provisions that would imply in any way a transfer of control of the banks to the Government," the central banker said.

The aim of the deal is to prevent a collapse of bank shares, which came under heavy selling pressure earlier this month, and forced the banks to appeal to the Government for assistance. The Tel Aviv stock exchange has been closed for the past two weeks while the rescue operation was being worked out. Trading in bonds resumed yesterday, and full market trading resumes on Monday.

The main provision of the new agreement is that the Government has undertaken to purchase bank shares held by the public at the end of five years at 104 per cent of their dollar value at October 6 this year, the day trading was halted.

Alternatively, these shares can be converted into 4-year or 6-year savings schemes with 112 and 134 per cent yields guaranteed. The Government has also undertaken to intervene in the market if the value of bank shares falls below an unspecified level.

What the level is and how much the Government is prepared to spend are closely guarded secrets, but it is unlikely to enter the market until the shares have fallen by at least 15 per cent. This is roughly equivalent to the yield on bank shares so far this year.

Commercial bank shares are the main money market instrument in Israel. Because of their high liquidity, low risk and attractive return, bank shares became a favourite financial asset. With a market value of some $7.5bn when trading was suspended, the bank shares constituted two-thirds of the value of all stocks on the exchange.

The shares were regarded so highly, because in the attempt to gain a competitive edge on their rivals, the banks systematically pumped the value of their shares by buying excess shares on the market through their subsidiaries. At the beginning, the intervention was intended to iron out chance day-to-day fluctuations, but later developed into a deliberate influencing of the market.

This form of manipulation is not illegal in Israel, though bankers blanch when that term is used. They prefer to call it "regulation of the market." The advantage of this system for the banks was that it kept the public happy and ensured huge demand for every new issue voted to raise capital, something they had to do frequently because of Israel's triple digit inflation.

When the Tel Aviv stock exchange plummeted early this year bank shares held firm as the banks bought their shares at the prevailing prices. In this way, they pushed up the average value of bank equity during the first nine months of the year by 18 per cent. This was at a time when average share values on the exchange had fallen by 25 per cent.

The bubble burst at the beginning of the month. In the words of Dr Mandelbaum, "heightened anticipation of a devaluation caused massive pressure by the public to sell shekel-denominated financial assets, particularly bank shares, in order to increase their holdings in foreign currency."

The bank subsidiaries "which used to absorb supplies of bank shares in order to minimise the fluctuations," to use Dr Mandelbaum's phrase, "found it increasingly difficult to do so." Another banker, who did not wish to be quoted, said simply that the banks had run out of money to buy their stocks. Further purchase would have forced the banks to delve into their depositors' money.

Mr Yehezkel Flomin, an accountant and former deputy finance minister, said that the crisis, if not halted, "could have brought the country's entire banking system to collapse within a fortnight."

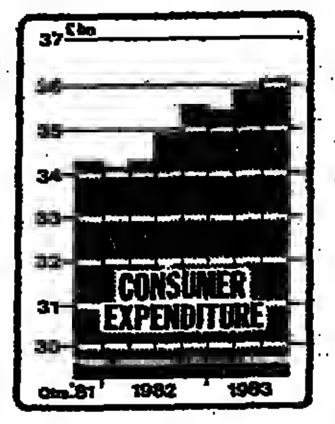
Another senior banker, who also prefers to remain unnamed, explained, "The banks felt that they had to tell the Treasury and the Central Bank that they could not continue the intervention to support their shares. The Government agreed to provide support because it wants to maintain the money market."

In return for this government assistance, the banks have promised to stop supporting their shares in this artificial way. They have also undertaken not to sell, for the next few weeks, the estimated $1.3bn in shares that they bought early in the month to support their price.

THE LEX COLUMN

SE opens window on the world

The equity market enjoyed its best session for four months yesterday, with every constituent of the FT 30-Share index making some progress. Buying was far too selective to suggest any turning of the tide, but the powerful alliance of Hawker Siddeley, President Ronald Reagan and the CSO at least seemed to have brought a little cheer into the market.



Foreign securities

The dropping of the restrictive practices case has given the Stock Exchange the freedom to introduce – very belatedly – rules to allow members to compete on equal terms in international securities. In a single step to come into force within six months, minimum commissions on such business will go out of the window and brokers, in suitably insulated form, will become able to act on this front as principals. Up to 49.9 per cent of the capital in the new "International Dealers" can come from non-members, but, given the modest resources of most brokers, that concession may not be enough to create many formidable entities.

The changes should, however, allow member firms to start reversing the inroads made by foreign brokers into their own natural constituency – the UK institutions. Given a competitive price, the institutions are likely to encourage the new dealing groups. The City of London brokers have the advantage of familiarity with the institutions, which should welcome new entrants into the London international market, if only to narrow the spreads that the foreign brokers have been offering when their home markets are closed.

Meanwhile, the resiting of the boundary between foreign and domestic stocks may prove even more temporary than currently planned. The definition of a UK stock is fraught with difficulty – and the murky area of ADRs may effectively bring the activity of the new international dealers into the "domestic" arena. Members are likely to consider prospective partners on the international side with great care, for a relationship in one venture may well lay the foundations of a more comprehensive partnership.

Logica

For a leading computer software house such as Logica to come to market indicating a minimum tender price of less than 20 times last year's earnings would have seemed almost inconceivable only two or three weeks ago. That was before the market cold-shouldered the Acorn tender and put the skids under a lot of their hi-tech shares.

But the modesty of Logica's minimum rating may be more apparent than real, a tactical retreat which will permit the tender mechanism to do its proper job of forcing the market to value the company. Software stocks on the U.S. markets have been trading at multiples in excess of 40, while the most comparable share with a *full London listing* – Systems Designers – is currently priced at well over 50 times historic earnings. So it looks as if something would need to go badly wrong for Logica not to be heavily oversubscribed well above the minimum 140p.

Logica is a particularly well-connected company, with a client list which reads like a catalogue of government departments and private sector blue-chips. Its record, of profits growing at more than 30 per cent annually for the last five years, is impressive. But like an advertising agency, Logica has always had to take pains to prevent key groups splintering off (as its founders did in the first place), and the risks remain.

Bank lending

The Chancellor's Mansion House speech was not the sort of stuff to set the gilt-edged market alight. No reference was made to the anticipated overshoot in public sector borrowing and the only news on the monetary front was that the authorities will henceforth place more stress on the broad monetary base, known to its friends as Mo. This aggregate is doubtless an excellent measure of 10p pieces in circulation but the market would probably have been more impressed if, instead, some effort had been made to accommodate the rapid growth in building society term shares into a broader aggregate, distortions and all.

The present trend in bank lending can be giving the Chancellor little cause for concern. Yesterday's final money supply figures for banking September showed sterling lending, after correcting for early interest-charging, of only about £600m on a seasonally adjusted basis.

The main reason for the slack momentum continues to be the low level of corporate loan demand. Yesterday's second quarter figures on companies' financial position dovetailed neatly with the banking figures, showing that in the first half of this year the corporate capital account was in surplus to the tune of £2.4bn. With profits rising, the equity market supplying funds in abundance and capital spending remaining low, the net borrowing requirement over the same period was under £1bn.

Discount houses

The literary stylists of the discount market have been hard at work trying to capture the flavour of the six months to September. Most have described trading during the period as "satisfactory", although Gerrard & National went a stage further yesterday by reporting "good profits" for the half-year.

Either way, this summer has been a far cry from the same period of last year, when all the houses could have made bounteous profits standing on their heads. Eligible bill rates fell by just 1 per cent over the latest six months, while short-dated gilt-edged ended the period almost exactly where they started. Running margins meanwhile were wafer-thin.

So the houses have been heavily reliant on dealing profits which, particularly during the second quarter, were probably substantial. Share prices have recovered slightly in relative terms over the past month but, given that last year's profits could comfortably fund higher dividends this year, the average yield of 9.2 per cent implies a very cautious view of the houses' ability to make money in more stable markets.

Honeywell in sales deal with Japanese

By Louise Kehoe in San Francisco and Yoko Shibata in Tokyo

NIPPON ELECTRIC, (NEC), the Japanese computer and electronics company, and Honeywell of the U.S. have entered into a wide-ranging marketing and licensing pact seen by many as an alliance aimed at withstanding IBM's increasing domination of the large computer (mainframe) market.

Honeywell has agreed to market NEC's top-of-the-range supercomputer, the ACOS System-1,000, in the U.S. as part of its own product range. To date, NEC has failed to be able to sell overseas any of its most advanced machines.

The tie-up with Honeywell could, so NEC believes, lead to sales of as many as 150 of its supercomputers in the U.S. and Europe over the next five years. This would launch NEC, alone among Japanese mainframe computer manufacturers in making non-IBM compatible systems, on to the international market where it has tended to lag behind Japan's other leading manufacturers, Fujitsu and Hitachi.

For its part, Honeywell is to integrate its systems and software with that of NEC and clearly sees the ACOS-1,000 as an advance on the machines in its existing product range. According to Mr Edson Spencer, chairman and chief executive of Honeywell, the pact between the two will combine the "marketing strength of Honeywell with NEC's proven technology to establish a powerful international force."

A key element in the agreement is the acceptance by both companies of access to each other's patented and copyright products. This could lay the basis for mutual co-operation in the development of the next generation of supercomputers – something clearly aimed at challenging IBM's leading position.

NEC and Honeywell first signed a technical exchange agreement in 1962 – from which NEC was the principal beneficiary. This agreement was terminated in 1979. Now the situation is almost reversed, and it is NEC that will be providing the advance know-how and products to Honeywell.

The move is also seen as part of a pattern in which U.S. computer manufacturers will be pushed into technology and marketing agreements with foreign, particularly Japanese, companies, in order to counter IBM's increasingly dominant position

According to Mr James Renier, president of Honeywell Information Systems: "IBM has made life miserable for the traditional U.S. computer manufacturers. These kind of arrangements will become more common."

Other examples of similar agreements are those between Sperry and Mitsubishi, NAS and Hitachi, and ICL (of the UK) and Fujitsu.

'Anarchy' warning as EEC fish talks fail

BY OUR BRUSSELS CORRESPONDENT

"TOTAL ANARCHY" would reign throughout EEC fishing grounds from January 1 next year, unless European Community fisheries ministers reached agreement on total catch quotas for 1983, the European Commission warned yesterday.

The warning followed the breakdown of talks in Luxembourg on Wednesday night, when the failure to agree a share-out of North Sea herring stocks, continued to block agreement on this year's total allowable catches (TAC) for all other fish species. A Commission spokesman said "if there is no agreement on 1983 TACs before the end of this year, there will be a legal void in the common fisheries policy. No TACs or quotas will apply automatically."

The Commission's sense of frustration after the collapse of five separate attempts to solve the herring dispute is shared by the Greek Government, which currently holds the presidency of the EEC Council of Ministers.

The presidency has deliberately refrained from calling an early meeting to allow a cooling-off period before the herring issue is discussed again. Ministers will not meet until December 14, in what could be their last chance this year to achieve a breakthrough. The presidency hopes that fixing the next series of talks so late in the year will increase pressure on member states to put together a deal.

A decision by the Council to roll 1982 quotas over into this year means that fishermen are basing their catches on last year's figures. These are higher in the case of a number of fish species than the scientific recommendations for 1983.

If ministers fail to arrive at a consensus on 1983 TACs it is still possible that 1982 catch levels would be carried over into next year. Some Community governments have cast doubt on the Commission's pessimistic interpretation of fisheries regulations suggesting that the rollover mechanism could continue year after year in the absence of agreement on new TACs.

The fisheries ministers are thought unlikely to accept the creation of a legal vaccum when they could easily decide to extend the 1982 arrangements for another year.

The continuation of fishing on 1982 quotas could, however, cause conservation problems in some fish stocks. This danger could persuade ministers to fix lower 1983 TACs before the end of the year. These could then be applied next year until 1984 levels are agreed.

EEC budget, Page 3

Curfew as army takes control in Grenada

By Canute James in Kingston

THE ARMY has taken control of the small east Caribbean island of Grenada following the power struggle that resulted in the killing on Wednesday of Mr Maurice Bishop, the Prime Minister. A curfew has been imposed, lasting until Monday, with threats to shoot anyone found on the streets.

Mr Bishop, aged 39, was a British-trained lawyer who came to power in 1979, pledging Marxism to the 105,000 islanders when he overthrew the right wing leader, Sir Eric Gairy. Mr Bishop was shot dead at army headquarters in St

Georges along with three other members of his Cabinet.

In announcing the military takeover, the chief of staff, Commander Hudson Austin, said the island would be run by a revolutionary military council. There has been no word of Mr Bernard Coard, Mr Bishop's deputy, who is the leader of the pro-Moscow faction in the ruling New Jewel Movement.

Mr Bishop's killing and the army takeover added an unexpected violent note to a simmering feud within the New Jewel Movement that came to a head last week. Then, Mr Bishop was placed under house arrest by the army, ostensibly for refusing to agree to a power-sharing plan with Mr Coard, and for starting rumours that the latter planned his assassination.

Mr Bishop was freed late on Wednesday morning by several thousand of his supporters, and was leading them to army headquarters when soldiers opened fire. Four people were killed and several, including the Prime Minister, were injured.

He and his colleagues were then taken into the barracks.

Shortly afterwards Mr Bishop was shot along with Mr Unison Whiteman, who recently resigned as Foreign Minister, the former Education Minister Ms Jacqueline Creft, and the former Housing Minister, Mr Norris Basin. Two leading trade unionists also loyal to Mr Bishop, were earlier killed by soldiers.

Ironically, Mr Bishop was killed in the army headquarters, Fort Rupert, that bore the name of his father – killed in 1974 by police when taking part in demonstrations against the Premier at the time, Sir Eric Gairy.

The killings were yesterday widely condemned throughout the Caribbean, and the Commonwealth Secretary-General, Sir Shridath Ramphal, issued a statement in London expressing his "sense of horror" over what had happened. It is likely that Grenada will now be boycotted within the Caribbean Economic Community.

There are no indications that the crisis in Grenada had external support. However, it has transpired that Mr Coard made a little-publicised visit to Moscow in July, shortly after Mr Bishop made progress in mending fences with the U.S., the harshest critic of Grenada's pro-Cuba stance.

Irish court move on insurance group

BY BRENDAN KEENAN IN DUBLIN

A BUILDING Society and a loan company associated with the Irish insurance group, PMPA, were ordered to stop trading yesterday as queues of anxious depositors formed, seeking to withdraw their savings.

Earlier, an Irish High Court Judge appointed a provisional administrator to manage the company under the terms of legislation rushed through all stages in the Irish parliament on Wednesday. The court was told that PMPA (Private Motorists Protection Association) had underprovided for motor insurance claims by I£165m ($198m) over the last two years.

Irish ministers and officials are convinced that their emergency legislation prevented the collapse of the group, which would have left nearly half the Irish Republic's motorists uninsured. Questions are already being asked as to why the law could not have been strengthened some time ago in a more orderly fashion.

The provisional administrator is Mr Kevin Kelly of the Irish branch of Coopers and Lybrands. A full hearing was set for November 14 when PMPA will have an opportunity to challenge the government move.

In a sworn affidavit, the Secretary of the Irish Department of Trade, Tourism and Commerce said that, by the end of 1982, nearly half the company's assets of I£128m were comprised of debts due to the insurance company from dependant subsidiary companies. The group consits of 74 different companies.

The Registrar of Friendly Societies said he had ordered the building society and loan company to halt trading for two months in the public interest

Bundespost agrees digital exchanges

By John Davies in Frankfurt

THE BUNDESPOST, West Germany's postal and telecommunications authority, has given the final go-ahead for installation of digital exchanges for trunk-line telephone traffic.

The decision is a milestone in a long-term scheme to build up an integrated communications system of voice, data and video transmission within Germany and beyond.

Contracts for the first trunk exchanges are to go to Siemens and to Standard Elektrik Lorenz (SEL), a subsidiary of ITT of the U.S.

Both companies have already installed digital exchanges for lengthy trials and were invited by the Bundespost to submit offers for series production of the exchanges.

It is understood that the initial contracts are worth a total of about DM 160m ($62m).

It is believed that about half of this sum would go to Siemens.

Japan plans to boost growth

Continued from Page 1

The bonds would be designed to offset part of the outflow of capital caused by the wide gap between U.S. and Japanese interest rates and thereby remove one of the causes behind the chronically weak yen exchange rate.

Japanese officials apparently have little idea of the possible impact of the measures on attempts to shrink Japan's embarrasingly large trade surplus.

GNP surges ahead

Continued from Page 1

ing some acceleration in inflation after the stable price level in the first half of 1983.

But he did not rule out the possibility of an improving inflation trend in 1985

The Commerce Department's seasonally adjusted preliminary figure is slightly higher than the 7 per cent "flash" estimate released in September and shows some slowing down in the pace of economic growth compared with the 9.7 per cent real rise recorded in the second quarter.

Mr Malcolm Baldrige, Commerce Department Secretary, in releasing the figures, said that the economy could grow at between 4 and 5 per cent next year.

But he too warned that inflation might accelerate to the 4 to 5 per cent range because of higher prices for oil, food and industrial raw materials.

He predicted, however, that the inflation performance would remain dramatically better than in the late 1970s.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	21	70	Dubrovnik	S	20	68	Malaga	S	24	75	Salzburg	C	15	59
Algarve	S	28	82	Faro	S	26	79	Malta	C	20	68	Seoul	C	20	68
Algiers	S	24	75	Florence	S	25	77	Manila	C	33	91	Singapore	R	32	90
Amsterdam	C	12	54	Frankfurt	F	12	54	Miami	S	31	88	Stockholm	R	6	43
Athens	C	21	70	Funchal	S	23	73	Milan	S	19	66	Strasbourg	C	12	54
Bahrain	S	29	84	Geneva	C	14	57	Moscow	S	12	54	Sydney	F	19	66
Bangkok	S	33	91	Gibraltar	S	23	73	Munich	C	13	55	Taipei	S	31	88
Barcelona	S	22	72	Guernsey	F	12	54	Nairobi	C	27	81	Tangier	S	28	82
Beirut	S	28	82	Helsinki	C	6	43	Naples	S	22	72	Tehran	—	—	—
Belgrade	C	13	55	H. Kong	S	31	88	New Delhi	S	31	88	Tel Aviv	S	29	84
Berlin	C	11	52	Innsbruck	S	16	61	New York	F	14	57	Tenerife	S	24	75
Biarritz	F	16	61	Inverness	F	8	46	Nice	S	22	72	Tokyo	S	22	72
Blackpool	C	9	48	Istanbul	F	17	63	Oporto	S	25	77	Toronto	C	15	59
Bordeaux	F	17	63	Jersey	S	18	65	Oslo	S	9	48	Tunis	F	22	72
Brussels	C	11	52	Jo'burg	S	23	73	Paris	F	13	55	Valencia	S	24	75
Budapest	S	19	66	Las Palmas	F	24	75	Prague	F	11	52	Venice	S	20	68
B. Aires	S	[illegible]	78	Lima	S	21	70	Reykjavik	C	5	41	Vienna	C	13	55
Cairo	S	27	81	Lisbon	S	24	75	Rio de J'o	R	28	82	Warsaw	C	11	52
Cape Town	S	25	77	Locarno	S	16	61	Rome	S	22	72	Zurich	F	15	59
Caracas	C	27	81	London	F	13	55								
Casablanca	S	25	77	Los Angeles	S	29	84								
Copenhagen	F	10	50	Luxembourg	C	10	50								
Corfu	S	23	73	Madrid	S	23	73								
Dublin	C	8	46	Majorca	S	24	75								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Airbus cuts likely

Continued from Page 1

sortium has decided to increase production line flexibility to reduce the time needed to respond to changes in demand.

Airbus Industrie in Toulouse yesterday said no final decision on next year's production rate had been made. It pointed out that the consortium's main competitors – Boeing and MacDonnell Douglas – had also been forced to make large cuts in production from expected levels

Before the onset of the airline recession, Airbus had hoped to boost output to around eight aircraft a month by next year, roughly double the rate now foreseen. As recently as last January, it had set a target of almost six a month by end-1983.

The doubts about production next year come at a time of intense debate about the new narrow-body 150-seater A-320 aircraft which Airbus and its partners hope to launch by around the end of the year.

The A-320 now has a total of 80 firm and optional orders from three airlines (Air France, Air Inter – the French domestic line – and British Caledonian), but the main governments involved in backing Airbus would ideally like to see one or two more airline orders before the end of the year before giving a firm go-ahead to the project.

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FINANCIAL TIMES
Friday October 21 1983

STEADY VOLUME GROWTH IN U.S., SAYS DOW CHIEF

Chemical groups quadruple sales

BY WILLIAM HALL IN NEW YORK

DOW CHEMICAL and Union Carbide, two of the biggest U.S. chemical companies, have reported sharp improvements in their third-quarter figures with pre-tax operating earnings more than four times higher than last year's depressed third quarter.

Dow Chemical's third-quarter income before tax has jumped from $27m to $118m, and Union Carbide's pre-tax profits are up from $28.2m to $115.2m.

As a result of movements in the tax charge the improvement at the bottom line is less impressive. Union Carbide's net income is 14 per cent up at $80.6m. Dow's is up from $35m to $100m, although the company notes that $14m of the gain in the latest period is an extraordinary item reflecting a gain from the redemption of Dow bonds with a face value of $100m.

Mr Paul Oreffice, Dow's chief executive, says: "Although the economic recovery has not been as dramatic as we would like, we are seeing steady volume growth in the U.S."

Union Carbide notes that the increase in its third-quarter sales was spread broadly across its major product lines. Higher volume, improvements in gross margins and lower overhead costs contributed to the improvement in results.

Union Carbide's sales in the latest quarter are 5 per cent up on a year ago at $2.27bn, while Dow Chemical's sales are 8.4 per cent higher at $2.76bn.

Dow's earnings per share in the latest quarter totalled 51 cents against 18 cents a share a year ago. For the first nine months the Michigan-based chemical giant earned $1.19 per share before extraordinary items against $1.70 per share in the corresponding period of last year.

In the latest quarter Union Carbide earned $1.15 per share compared with $1.02 per share a year ago. For the nine months the group earned $2.71 per share compared with $4.05 per share a year ago.

Dow says gains in its industrial business were partly offset by depressed market conditions for ethylene glycol, caustic soda and Dowell. In addition, the strong U.S. dollar continued to penalise operating results, although there were signs of improvement in foreign currencies as the quarter ended.

Mr Oreffice says: "We have come a long way from the dismal economic conditions that the chemical industry faced only a year ago. Even though nine-month earnings are still lagging 1982, our core businesses are in far better shape versus third quarter 1982 and we expect continued improvement."

Union Carbide reports that its chemicals operations showed an 11 per cent sales gain in the third quarter, while plastics sales rose by 5 per cent. Gases and related products were up 3 per cent and metals and carbons were up 11 per cent.

Improved prices aid Alcan recovery

By Robert Gibbens in Montreal

ALCAN ALUMINIUM earnings continued to rebound in the third quarter, with the help of higher ingot prices and higher shipments of both ingot and fabricated products.

Mr David Culver, president, said margins were now improving significantly on fabricated products and this would give an extra lift to prices in the fourth quarter and next year.

Third quarter consolidated net income was U.S.$27m or 30 cents a share, against a loss of U.S.$15m a year earlier, when ingot prices were severely hit by the world recession. Revenues were U.S.$1.3bn against U.S.$1.17bn.

In the first nine months, net income was U.S.$18m or 20 cents a share, against $2m or 2 cents a share.

Nine months' sales of fabricated products were 868,200 tonnes against 732,000 tonnes, and of ingots 555,700 tonnes compared with 558,700 tonnes.

Performance was better in the third quarter in all geographic areas, including Europe. Losses in Australia and Latin America were reduced.

Abba members sell as controversy continues

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

ABBA, the Swedish pop group once described as Sweden's most profitable company, is selling most of its business interests following the continuing controversy surrounding the Kuben investment company, with which it has been closely associated.

Trading in Kuben shares was suspended temporarily at the end of August by the Stockholm Stock Exchange Council, which was alarmed at the lack of financial information provided by the company.

Kuben dangerously overstretched its resources last year when it spent around SKr 300m ($38.6m) buying up company shareholdings and speculated heavily in oil, financing the purchases largely through debt.

By the end of last year the company's equity accounted for only 2 per cent of the balance sheet.

Aritmos, an investment company based in southern Sweden with interests in the leisure and food industries, is purchasing a controlling 53 per cent stake in Kuben and aims to rebuild its finances.

Kuben's main assets are a 98 per cent holding in Monark, Sweden's leading bicycle manufacturer, with an annual turnover of SKr 250m, as well as smaller companies in garden products and packaging.

The three remaining members of Abba with business interests in Sweden, Benny Andersson, Bjorn Ulvaeus and Agnetha Filtskog, together with Stikkan Anderssoa the music publisher and Abba's manager and business mentor, have sold their 24 per cent stake in Kuben.

In addition, Aritmos is buying the 29 per cent stake in Kuben held by Polar Music Invest, a holding company controlling many of Abba's earlier business interests in property, finance and leasing operations.

Aritmos is buying its Kuben stake for only SKr 11m or SKr 25 per share, which represents a considerable loss for the Abba members, who purchased the shares at prices between SKr 30 and SKr 50 per share.

When dealing in Kuben shares was suspended again last week they were trading at SKr 130 per share.

Kuben's finances are to be strengthened quickly through an SKr 100m to SKr 120m issue of new shares to be supported chiefly by Aritmos, its new majority owner.

Aritmos is also purchasing a 31 per cent stake in Polar Music Invest for SKr 85m – 21 per cent from the Abba members and 10 per cent through the Skandinaviska Enskilda Bank.

U.S. drug groups hit by dollar

By Our New York Staff

BRISTOL-MYERS and Sterling Drug, two leading U.S. pharmaceutical companies, yesterday reported moderately higher third-quarter net earnings while a third, Schering-Plough, reported a slight decline at the net level but a slight improvement in earnings from continuing operations.

All three highlighted the negative impact of the strong dollar on overseas sales and earnings.

Bristol-Myers reported third-quarter net earnings of $116.9m or 86 cents a share compared with $99.6m or 74 cents a share in the 1982 quarter on sales that grew from $946.4m to $1.03bn.

The latest quarter lifted nine-month earnings to $304.1m or $2.24 a share from $260.1m or $1.94 a share in the 1982 period. Sales increased to $2.98bn from $2.71bn.

Foreign-exchange losses for the latest quarter were 4 cents a share, compared with 3 cents a share in 1982, and 18 cents a share for the latest nine-month period compared with 7 cents a share.

Schering-Plough suffered a slight decline in third-quarter net earnings to $36.5m or 72 cents a share from $36.8m or 68 cents a share on sales up at $437m against $406.1m. But there was a marginal increase in net earnings from continuing operations.

The company said net earnings from continuing operations in the quarter were $36.5m or 72 cents a share compared with $34.2m or 66 cents a share in the earlier quarter. The 1982 net earnings included income from discontinued operations of $2.6m.

For the nine months, net earnings from continuing operations were $142.3m or $2.69 a share, compared with $142.5m or $2.63 a share in the 1982 quarter.

Sterling Drug's third-quarter net earnings increased to $44.7m or 73 cents a share from $43.3m or 71 cents a share, on sales that grew by $10m to $512.6m. Sterling said its overseas sales declined by 6 per cent in dollar terms.

Signal surges ahead after sale of holdings in Natomas

BY PAUL TAYLOR IN NEW YORK

SIGNAL COMPANIES, the U.S. diversified engineering and aerospace group, yesterday announced a $63.8m surge in third-quarter net earnings bolstered by proceeds from the sale of the group's stake in Natomas, following Diamond Shamrock's acquisition of Natomas in August.

Signal, which earlier this year completed the acquisition of Wheelabrator-Frye and has subsequently undertaken a major corporate restructuring, including the sale of most of its stake in Mack Trucks, said its net earnings in the third quarter grew to $81.5m, or 73 cents a share, from $17.7m, or 24 cents a share, in the year-ago quarter on sales which increased to $1.57bn from $840.9m.

The latest results include those of Wheelabrator-Frye, which was merged on February 1.

Signal said that in the third quarter it had net earnings from continuing operations of $91.2m or 82 cents a share compared with $28.9m or 40 cents a share in the corresponding period last year.

In the latest quarter discontinued operations included a charge of $9.7m related to the sale of Golden West Broadcasters, while the third quarter last year included a charge of $11.5m related to Mack Trucks and a credit of $300,000 related to Golden West.

Signal added that during the latest period the company incurred several unusual charges, the most significant of which was a $110m pre-tax gain on the exchange of its Natomas investment following the Diamond Shamrock acquistion.

Signal's stake in Natomas was converted into a 8.8m share stake in Diamond Shamrock as a result of the merger and subsequently sold in a public offering.

Signal said its net earnings from continuing operations for the nine months fell to $60.6m, or 51 cents a share, compared with $111.1m or 1.53 a share, on sales of $4.55bn, compared with $2.74bn.

Sanofi seeks to raise $50m through rights

By David Marsh in Paris

SANOFI, the French pharmaceuticals and cosmetics group which is majority owned by state-controlled Elf Aquitaine, plans to raise FFr 402m ($50m) through a one-for-six rights issue to help finance its investment programme.

Sanofi, which announced a 17 per cent rise in consolidated net profits to FFr 145m in the first half of 1983, is also making a share exchange offer to take over full control of specialist pharmaceutical maker Choay, of which it already owns 45.7 per cent.

The company's rights issue will be made through the offer of 1.34m new shares, raising the nominal capital to FFr 938.5m from FFr 804.4m. Shareholders will be able to subscribe at a price of FFr 300 a share.

The share exchange offer to Choay shareholders will be on the basis of 10 Sanofi shares for seven from Choay. Sanofi will make a further issue of a maximum 105,000 shares to be used in the exchange deal.

Falling sales halve profits for Bofors

BY OUR NORDIC CORRESPONDENT, IN STOCKHOLM

BOFORS, the Swedish armaments group, suffered a 53 per cent drop in profits in the first eight months of the year, as sales volumes fell and it ran up heavy costs to cut the size of its workforce.

Pre-tax profits, allocations and extraordinary items, plunged to SKr 50m ($6.43m) from SKr 106m in the first eight months of 1982, with particular falls in armaments operations and the U.S. electronics subsidiary.

The concern's profitability has declined sharply for the past three years and the management warned shareholders yesterday that profits for the full year, after financial items, are likely to sink to only SKr 100m, compared with SKr 190m in 1982 and SKr 191m in 1981.

Turnover in the first eight months of 1983 declined by 4.5 per cent to SKr 2.49bn, compared with SKr 2.62bn a year earlier.

Apart from its industrial activities Bofors holds a considerable share portfolio worth SKr 1.4bn at current market prices, and the company revealed yesterday that it had increased its stake in Kema Nobel, Sweden's biggest chemical company, to 38.9 per cent compared with 20.5 per cent at the beginning of the year.

The chief decline in sales during the first eight months was in Bofors' armaments division, where turnover fell by SKr 350m.

Setback for First Boston

By Our New York Staff

FIRST BOSTON, the U.S. investment bank, saw net profits virtually halved in the third quarter from $30.2m to $15.1m.

The figures confirm the difficulties big securities houses are facing in maintaining their earnings against the record breaking period in the same quarter of last year, when the bull market was in an early and vigorous phase. Earlier this week, E. F. Hutton, another large Wall Street securities firm, reported a 33 per cent decline for the same period, and Merrill Lynch, the country's largest brokerage firm, has also warned that its results will be down.

Record sales lift RCA 34%

BY OUR NEW YORK STAFF

RCA, the U.S. broadcasting, publishing and electronics group, staged a substantial profits recovery in the third quarter, when net earnings went up by 34 per cent from $47.6m to $63.8m or 57 cents per share.

The company said yesterday that its electronics, broadcasting, communications and transportation divisions all achieved record sales for the quarter, in which total turnover rose to $2.26bn from $1.98bn a year ago.

RCA has recently sold its CIT Financial Services division, which achieved record earnings in the three months. But over the first nine months it claims that its earnings would not have been materially changed without CIT, taking notional gains on investment income into account.

It added that Hertz, the car hire company which has only recently been taken off RCA's list of divestment candidates, also achieved record earnings.

The figures underline the continuing strength of the consumer-led recovery in the economy. In the electronics division the consumer electronics section was particularly buoyant, with shipments from the group's Bloomington television plant reaching a monthly record in September.

At Hertz, volume rose substantially in both the domestic and international markets, with both business and vacation travel up on last year. Revenue in the WBC broadcasting activities rose by 16 per cent, reflecting strong demand for advertising in the television business.

For the first nine months of the year, RCA's earnings were down by 3.7 per cent at $162.4m or $1.35 a share. In 1982, however, the earnings figure included non-recurring gains of $47.8m, and excluding these, the underlying increase for the period amounted to 34 per cent. Sales for the nine months reached $6.49 against $5.89m a year ago.

Depressed market hits Schlumberger earnings

BY TERRY DODSWORTH IN NEW YORK

CONTINUING SLACKNESS in the world oil drilling market has hit Schlumberger, the leading well testing company, for the third quarter in succession, with net profits in the three months to September down by 14.7 per cent to $278.7m, or 96 cents a share, against $326.9m.

In the first nine months of the year, Schlumberger's earnings have dropped by 21 per cent to $824m or $2.83 a share.

Schlumberger says that in North America the low point of the industry was reached last April, since when the number of active rigs has been steadily increasing.

The recovery has mainly affected shallow oil basins so far, with activity in deep gas areas and offshore still declining. In overseas markets, drilling is still declining in many areas.

These depressed conditions have pushed revenues for oilfield services down by 17 per cent in the third quarter.

Montedison in Inmont deal

By James Buxton in Rome

MONTEDISON, the Italian chemical company which is still in the process of rationalising its activities, has agreed to sell a chemical plant in Italy to the U.S. company Inmont.

Inmont, based at Clifton, New Jersey, is to take over a plant near Milan to manufacture pigments and dyestuffs for solvents from Montedison's heavily loss-making subsidiary Acna. The plant employs 320 people and has sales of about L40bn ($25m) a year. The value of the deal has not been disclosed.

BankAmerica slips in third quarter

BY OUR NEW YORK STAFF

BANKAMERICA, the leading U.S. West Coast bank and one of the world's largest banks, has reported a 29 per cent fall in third-quarter profits.

BankAmerica said its net earnings for the quarter fell to $76m or 39 cents a share from $107m or 71 cents a share in the corresponding period last year. The bank blamed increased charge-offs, a decline in non-interest revenue and higher operating expenses, which it said had offset interest revenue gains.

The third-quarter results for the first time include those of Seafirst, the troubled Seattle bank, which BankAmerica acquired earlier this year.

Mr Samuel Armacost, BankAmerica's chairman, said the results were "significantly influenced by a combination of factors which continue to challenge us, weak loan growth, the effect of problem loans and significant increases in non-interest expense."

The bank said net losses in the third quarter were $215m compared with $113m a year ago. Excluding Seafirst, BankAmerica said net loan losses were up 46 per cent in the quarter and 45 per cent in the nine-month period.

Primarily as a result of the Seafirst acquisition, BankAmerica said its non-accrual loans increased by $1.1bn to $3.2bn at the end of September, compared with $2.1bn at the end of the second quarter. Excluding the Seafirst loans, the bank said the total would have been $2.4bn at the end of September.

Turnround for Georgia-Pacific

By Our Financial Staff

GEORGIA-PACIFIC, the large U.S. forest products group, reported net operating income of $3m or 3 cents a share in the third quarter, against an operating loss of $1m, or one cent.

The figures include a $88m pre-tax charge for losses on the sale or closure of operations in the U.S. and Indonesia and a writedown of Chilean operations. The company warned that writedowns and losses on asset sales could reach $150m by the end of the year because of a company-wide review of assets.

The company reported strong third-quarter sales in building products but a fall in plywood and lumber prices held down profits. The paper business improved, but world pulp markets remained weak.

Nine-month operating net profits slipped from $95m or 89 cents a share to $89m or 81 cents. The latest period includes $38m of income from settlement of a natural gas contract dispute, while the 1982 period includes other income of $105m.

Océ in bid to boost U.S. market share

By Walter Ellis in Amsterdam

OCÉ van der Grinten, the Dutch reprographics group, is to go into partnership with an equity fund, MIP, in a bid to increase its share of the U.S. photocopier market.

Each company intends to invest Fl 50m ($17m) in the new project over the next few years, and MIP will take up a 49.9 per cent participation in an Océ subsidiary. At the same time, Océ – which recorded net profits in the first nine months of this year of Fl 11.5m – is to issue a Fl 100m convertible subordinated bond on the Dutch capital market, lead managed by Amsterdam-Rotterdam Bank.

This is Océ's first venture into the bond market and the equity link, available over most of the 15 year life of the bond, from July 1983 to November 1998, is likely to prove popular.

Northern Telecom in warning on sales

BY NICHOLAS HIRST IN TORONTO

NORTHERN TELECOM, the Canadian telecommunications group, reported profits for the third quarter of the year in line with market expectations at C$49.5m (U.S.$40m) or 44 cents a share, up from C$28m or 26 cents a share a year earlier.

Sales in the third quarter were unchanged at C$739.5m. Northern Telecom has warned that its regular 20 per cent sales growth of recent years would not be matched in 1983 because of a depressed level of spending by Canadian telephone companies, including Northern Telecom's parent, Bell Canada Enterprises. Bell holds 53 per cent of Northern Telecom.

For the first nine months of the year profit before an extraordinary gain was C$159.3m or C$1.45 a share, compared with C$88.9, or 84 cents a share a year earlier.

Closure costs affect Time

By Our Financial Staff

TIME, the diversified U.S. publishing and cable TV group, reported third-quarter net earnings down sharply from $35.2m or 55 cents a share to $30.3m or 47 cents.

The company blamed the fall on operating losses and closure costs at TV-Cable Week, which ceased publication last month, and a provision for losses on the anticipated sale of the company's interest in a subscription TV service in the Boston area.

Net earnings for the first nine months were $114m or $1.79 a share against $109.9m or $1.73. Revenues rose from $2.58bn to $2.91bn, of which $983.5m ($875.3m) came in the latest quarter.

Storage Tech suffer loss

By Our New York Staff

STORAGE TECHNOLOGY, the U.S. computer data storage manufacturer, suffered a third quarter loss of $8m or 17 cents a share.

Mr Jesse Aweida, chairman, blamed lower volumes and high start-up costs for several of the company's new products for the unexpected earnings setback.

Storage Technology has faced increasing competition from International Business Machines (IBM)

Modest increase for 3M

BY OUR FINANCIAL STAFF

MINNESOTA Mining & Manufacturing (3M), the big U.S. industrial, consumer and electronics products group, lifted third-quarter net income from $169m or $1.44 a share to $178m or $1.51, with sales up from $1.69bn to $1.8bn.

The rise lifts earnings for the first nine months to $504m or $4.28 a share, against $480m or $4.09 on sales of $5.28bn, ($5.04bn).

Mr Lewis Lehr, chairman, said the company expected 1983 earnings to be higher than those of 1982.

NORTH AMERICAN QUARTERLY RESULTS

AMFAC

Third quarter	1983 $	1982 $
Revenue	596.1m	536.6m
Net profits	†16.7m	4.1m
Net per share	†0.47	0.26
Nine months		
Revenue	1.7bn	1.6bn
Net profits	†26.3m	16.3m
Net per share	†1.84	1.07

† Loss

BANC ONE

Third quarter	1983 $	1982 $
Revenue	—	—
Net profits	23.61m	17.16m
Net per share	0.74	0.69
Nine months		
Revenue	—	—
Net profits	69.83m	44.53m
Net per share	2.08	1.88

BORDEN

Third quarter	1983 $	1982 $
Revenue	—	—
Net profits	51.3m	40m
Net per share	1.75	1.57
Nine months		
Revenue	—	—
Net profits	136.6m	123.1m
Net per share	4.67	4.12

CAPITAL CITIES COMMS.

Third quarter	1983 $	1982 $
Revenue	184m	159.2m
Net profits	26.3m	22.3m
Net per share	1.95	1.66
Nine months		
Revenue	548.1m	480.9m
Net profits	78.9m	68.2m
Net per share	5.94	5.12

CESSNA AIRCRAFT

Fourth quarter	1982-83 $	1981-82 $
Revenue	134.3m	140.7m
Net profits	†12.55m	5.45m
Net per share	†0.65	†0.29
Year		
Revenue	524.4m	831.5m
Net profits	†18.85m	18.08m
Net per share	†0.98	0.94

† Loss

CHESEBROUGH-POND'S

Third quarter	1983 $	1982 $
Revenue	460.5m	445.9m
Net profits	44.73m	43.43m
Net per share	1.25	1.24
Nine months		
Revenue	1.3bn	1.2bn
Net profits	98.04m	103.2m
Net per share	2.74	2.95

CITY INVESTING

Third quarter	1983 $	1982 $
Revenue	1.53bn	1.47bn
Net profits	53.8m	38m
Net per share	1.19	1.05
Nine months		
Revenue	4.38bn	4.32bn
Net profits	120.3m	104.1m
Net per share	2.83	2.92

CONRAIL

Third quarter	1983 $	1982 $
Revenue	760.2m	707.2m
Net profits	85.6m	55.3m
Net per share	3.21	2.34
Nine months		
Revenue	2.26bn	2.3bn
Net profits	195.5m	118.6m
Net per share	7.31	4.68

DUKE POWER

Third quarter	1983 $	1982 $
Revenue	669m	578.9m
Net profits	129.4m	97.7m
Net per share	1.17	0.87
Nine months		
Revenue	2.37bn	2.19bn
Net profits	412.7m	406.7m
Net per share	3.62	2.75

DUN & BRADSTREET

Third quarter	1983 $	1982 $
Revenue	398.9m	352.7m
Net profits	41.8m	34.7m
Net per share	0.74	0.62
Nine months		
Revenue	1.18bn	1.01bn
Net profits	124.7m	104.9m
Net per share	2.21	1.07

ENGELHARD CORP

Third quarter	1983 $	1982 $
Revenue	397.1m	533.2m
Net profits	19m	17m
Net per share	0.71	0.64
Nine months		
Revenue	1.83bn	1.42bn
Net profits	53.2m	47.6m
Net per share	1.97	1.77

ETHYL CORP

Third quarter	1983 $	1982 $
Revenue	449.4m	410.7m
Net profits	24.5m	22.9m
Net per share	0.60	0.56
Nine months		
Revenue	1.29bn	1.23bn
Net profits	73.6m	68m
Net per share	1.80	1.69

FMC CORP

Third quarter	1983 $	1982 $
Revenue	860m	876.3m
Net profits	41.9m	29m
Net per share	1.24	0.88
Nine months		
Revenue	2.63bn	2.66bn
Net profits	112.3m	106.7m
Net per share	3.35	3.18

G. HEILEMAN BREWING

Third quarter	1983 $	1982 $
Revenue	393.6m	278.1m
Net profits	16m	13.5m
Net per share	0.66	0.53
Nine months		
Revenue	1.03bn	774.2m
Net profits	46.1m	38m
Net per share	1.74	1.57

HOLIDAY INNS

Third quarter	1983 $	1982 $
Revenue	446.2m	394.2m
Net profits	47.7m	38.7m
Net per share	1.25	1.01
Nine months		
Revenue	1.19bn	1.06bn
Net profits	104m	87.2m
Net per share	2.86	2.23

HOUSEHOLD INTL.

Third quarter	1983 $	1982 $
Revenue	—	—
Net profits	53.7m	25.1m
Net per share	1.09	0.38
Nine months		
Revenue	—	—
Net profits	148.6m	77.4m
Net per share	2.54	1.20

MAPCO INC

Third quarter	1983 $	1982 $
Revenue	540.8m	438.9m
Net profits	13.8m	29.2m
Net per share	0.46	0.73
Nine months		
Revenue	1.51bn	1.45bn
Net profits	39m	54.1m
Net per share	1.31	1.96

NATIONAL GYPSUM CO

Third quarter	1983 $	1982 $
Revenue	311.5m	246m
Net profits	16.7m	3.5m
Net per share	1.01	0.22
Nine months		
Revenue	821.5m	680.2m
Net profits	36.3m	7.6m
Net per share	2.15	0.48

OLIN CORP

Third quarter	1983 $	1982 $
Revenue	488.3m	433.9m
Net profits	13m	11.2m
Net per share	0.54	0.48
Nine months		
Revenue	1.4bn	1.4bn
Net profits	59.5m	56.8m
Net per share	2.50	2.40

POLAROID CORP

Third quarter	1983 $	1982 $
Revenue	307.2m	318.8m
Net profits	16.9m	8.3m
Net per share	0.55	0.26
Nine months		
Revenue	862.8m	901.2m
Net profits	24.4m	13.9m
Net per share	0.79	0.43

RAINIER BANCORP

Third quarter	1983 $	1982 $
Revenue	—	—
Net profits	11.9m	11.6m
Net per share	1.26	1.22
Nine months		
Revenue	—	—
Net profits	33.8m	29.1m
Net per share	3.49	3.06

SCOTT PAPER

Third quarter	1983 $	1982 $
Revenue	610.4m	574.3m
Net profits	36.1m	22.5m
Net per share	0.74	0.49
Nine months		
Revenue	1.79bn	1.74bn
Net profits	88.3m	70.3m
Net per share	1.87	1.85

UNION CAMP

Third quarter	1983 $	1982 $
Revenue	408.1m	374.7m
Net profits	34.5m	28.7m
Net per share	1.42	1.18
Nine months		
Revenue	1.2bn	1.1bn
Net profits	82.5m	84.7m
Net per share	3.30	3.29

U.S. AIR

Third quarter	1983 $	1982 $
Revenue	367.4m	331.7m
Net profits	24m	18.2m
Net per share	1.04	0.93
Nine months		
Revenue	—	—
Net profits	37.9	28.1m
Net per share	—	—

VF CORP

Third quarter	1983 $	1982 $
Revenue	335.9m	261.6m
Net profits	38.4m	29.6m
Net per share	2.35	1.82
Nine months		
Revenue	825.9m	644.8m
Net profits	88.5m	64.8m
Net per share	5.46	3.89

WASHINGTON POST

Third quarter	1983 $	1982 $
Revenue	202.9m	185.7m
Net profits	12.3m	8.5m
Net per share	0.86	0.60
Nine months		
Revenue	622.5m	576m
Net profits	39.8m	30.2m
Net per share	2.80	2.13

WASTE MANAGEMENT

Third quarter	1983 $	1982 $
Revenue	264.5m	244.8m
Net profits	33.8m	27.3m
Net per share	0.70	0.62
Nine months		
Revenue	765.6m	704.8m
Net profits	91.5m	77.4m
Net per share	1.90	1.77

INTL. COMPANIES & FINANCE

Paul Taylor looks at the dangers inherent in the Bell break-up

Muddied waters over AT & T divestiture

A SERIES of surprise announcements has over the past few days buffeted shares in American Telephone & Telegraph (AT&T), created confusion over the planned Bell System break-up and raised questions about the anti-trust basis of the biggest corporate divestiture in history.

In just 24 hours—between Tuesday afternoon and Wednesday lunchtime—Wall Street's perception of the planned January 1 break-up of the Bell system was thrown into doubt. In the process investors wiped about $1.6bn off the market value of AT&T, the widest held and most actively traded stock in the U.S.

The two specific events which led to such selling were: the Federal Communications Commission's surprise decision—in the face of mounting political pressure—to postpone a key element of the AT&T divestiture plan; and AT&T's own announcement that its net earnings plunged 28 per cent in the third quarter, coupled with the revelation that it plans to take a $5.2bn divestiture-related charge against earnings at the end of the year.

While Mr Charles Brown, the chairman of AT&T, said he was "astonished" by the FCC decision, Wall Street was taken by surprise by the telecommunications company's third-quarter results and the much larger than expected write-offs

Until a few weeks ago it appeared that the complex AT&T divestiture plan—the result of a court-approved anti-trust settlement between AT and T and the Justice Department—was proceeding smoothly towards the December 31 deadline, when the 107-year-old Bell telephone system would cease to exist.

The plan calls for the creation of a new deregulated AT&T able to compete in the emerging data processing and transmission marketplace, coupled with the divestiture of the 22 Bell operating companies which are to be regrouped into seven new and independent regional telephone holding companies.

The key to the break-up plan was that competition would be enhanced in the long distance telephone and data processing industries, while a new pricing order free of cross subsidies, and related instead to costs, would be created in the still regulated local telephone service system.

One main plank of the complex mechanics of the new order, endorsed by the FCC, called for an immediate reduction in the traditional subsidy of local telephone service in the U.S. by AT&T's long distance traffic.

This would allow the new AT and T, as was formally proposed 10 days ago, to reduce its interstate long distance toll charges, and thereby compete more effectively with new competitors like MCI, GTE, ITT and other companies which currently offer cut rate long distance services, and which have been chipping away at AT&T's market share.

In order to guard against the loss of revenues—in the form of subsidies—which the local telephone companies would otherwise suffer, the FCC in July proposed increasing the contribution of AT&T's competitors to the fixed costs of local service and, most controversially, imposing a $2-a-month charge on residential telephone users and up to $6-a-month on business users. The new customer "access charges" were to be increased over the next seven years, eventually replacing virtually all the inter-exchange carriers subsidy.

The access charges were, however, fiercely opposed by consumer groups, which feared that the new local telephone charges forced the poor to give up their telephone, thus ending the notion of a "universal service," and by an increasingly vociferous group in Congress.

Over 15 Bills, some of which would have imposed a moratorium on access charges, were tabled in Congress. Committees in both Houses, endorsed specific proposals and AT&T's competitors mounted powerful lobbying to overturn the FCC plan, warning that their combined operating loss next year might top $700m if they were forced to pay higher fees for tapping into local telephone networks.

AT&T counter-attacked launching a $1.5m lobbying campaign, the centrepiece of which was a letter from Mr Brown to every Congressman, urging them not to change the agreement "at the eleventh hour."

"It is too late," wrote Mr Brown, "for Congress to have second thoughts about whether or not, and at what pace, competition should be encouraged—or whether the Bell system should have been broken up to begin with."

Just a few days after the letter was published, the FCC did an about-face. Arguing that the new telephone rate filings made by AT&T and the regional holdings companies—under FCC instructions—were more voluminous and involved than expected, the commission postponed the introduction of access charges until April 3—three months after divestiture.

In the process, the FCC told AT&T that it would have to wait to lower its long-distance charges by a proposed $1.75bn, or an average of 10.5 per cent.

While AT&T's competitors danced for joy—MCI after the announcement said it plans to go ahead with a 5 per cent rate reduction from January 1—AT&T was "disappointed."

The Federal Communications Commission (FCC) voted late on Wednesday to free AT&T's competitors from most government controls over tariffs. The commission also voted to reduce its controls over satelite operators and domestic U.S. telex services.

The FCC action will mean that long distance telephone companies will no longer have to file tariff or service changes with the commission before implementation. The decision is a further blow to AT&T, which has been pressing for a similar relaxation for itself and was clearly angered by the decision—which it described as "incredible." The FCC has, however, asked for public comments about how it should regulate the telecommunications giant

The full impact of the FCC's latest decision is still unclear and has added to existing marketplace confusion over the break-up. Most Wall Street analysts doubt that the divestiture will be delayed as a result—although they now believe anything is possible.

However, the decision could delay the planned announcement next month by the new regional companies of first-quarter 1984 dividends, pro-forma accounts and 1984 earnings estimates, and conceivably the start of trading on a when-issued basis in the new regional groups' shares.

Probably the most crucial question is how the regionals will make up for the loss of billions of dollars they expected to be collecting from January 1 from telephone users and the long distance carriers.

Western Electric, AT&T's manufacturing subsidiary made its impact on the results with $185.8m net loss in the latest quarter compared with a $172.3m net profit in the 1982 quarter. Western Electric, which has been engaged in an extensive cost-cutting programme, has so far made a $36.1m net loss this year, compared with a $545.1m net profit

Charles L. Brown

Western is not the only AT & T subsidiary losing money. Although the figures are not broken out the American Bell subsidiary, formed at the start of this year to spearhead AT & T's entry into the market for advanced telecommunications and data processing equipment, is still losing money and expected to do so for some time.

While the $5.2bn charge against 1983 earnings shook Wall Street initially, it may eventually prove to have been a positive factor for AT & T.

The charge is generated by accounting changes. The major change is that AT & T is reducing the book value of its telephone equipment and network facilities by $7.3bn. Effectively that means AT & T is accelerating the depreciation of ageing assets. Reducing the carrying value of terminal equipment and network facilities to a lesser amount expected to be recoverable in a competitive environment, will write down net income by $3.8bn.

In addition AT&T plans to establish deferred income tax credits totalling about $360m and establish liability accruals expected to total $1bn net of taxes for expenses which have previously only been accounted for when paid.

The events earlier this week have again highlighted the uncertainty surrounding the divestiture. The most lasting impact could be further questioning of the basis of the break-up and the anti-trust laws which led to it.

Americans, including some of AT&T's senior executives, are fond of a saying: "If it works why fix it?" That question appears to be asked with increasing frequency about the AT&T break-up. For the moment that answer, like the effects of Bell System break-up itself, appears to be in doubt.

Another arrest in Japan's pharmaceutical scandals

TOKYO — Another arrest added a further blow to Japan's pharmaceutical industry which has been hit by an industrial espionage scandal.

Mr Fumito Iwanami, head of the pediatric department of the National Defence Academy, was arrested on suspicion of accepting bribes from three pharmaceutical companies, an official of the Tokyo district public prosecutor's office said yesterday.

Allegedly, Mr Iwanami accepted about Y1.4m in bribes from Green Cross Corporation, Chugai Pharmaceutical Company and Nippon Glaxo.

Mr Iwanami, who had authority to select the medicine to be used, is suspected of taking payment for choosing the makers' drugs.

So far it is not clear whether his arrest is related to the previous events in Japan's industrial spy scandal.

The scandal began in September when a technician of the Ministry of Health and Welfare, three employees of Fujisawa Pharmaceutical Company and the president and an adviser of Teisan KK were arrested in connection with stealing data from the Ministry's National Institute of Health.

After the first arrests another official of the Ministry and several employees of Fujisawa, including the vice-president of the company's Tokyo office, were taken into custody.

AP-DJ

Singapore financial futures market to open next year

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE'S financial futures market will open in the second quarter of 1984 in the city state's World Trade Centre, and will be called the Singapore International Monetary Exchange, or Simex, exchange officials confirmed yesterday.

Initially, one interest rate, one foreign currency and one gold contract will be traded. The interest rate contract will be for three-month Eurodollar time deposits, and the currency contract will be for U.S. dollar/Japanese yen.

The officials said they believed they had found a mutually acceptable gold contract to resolve the technical difficulty over differences in the purity of gold currently traded in the two centres. Gold traded in Singapore is typically of 999.9 purity.

The three contracts are traded on the Chicago Mercantile Exchange, and a "mutual offset" system will operate between the two, something never tried before. This will enable positions taken on either exchange to be offset completely at small cost.

The link between the two exchanges will also lengthen the international futures trading day by about six hours, enabling hedgers and speculators to manage their overnight risks more satisfactorily.

Officials acknowledged that the success of the exchange depended on the recruitment of "locals," individuals prepared to accept the risks that others wanted to cover. The exchange will vet locals, who will have to meet certain qualifications and be backed by a clearing member of the exchange.

Clearing members, who already number 19, will each have to take three seats at U.S.$50,000 each and buy a single share at U.S.$20,000, its par value. To qualify, a clearing member will also have to have shareholders' funds amounting to U.S.$2m.

Non-clearing members — a category not in the Chicago exchange—will also be required to take three seats each. They must have shareholders' funds of U.S.$1m. Locals must own or lease one seat to trade.

Every clearing member will be jointly and severally liable for obligations to the exchange under a so-called "common bond" system.

Officials refused to say how many members they would need to make the exchange a success, and said there was no limit on the number of qualified members who would be accepted.

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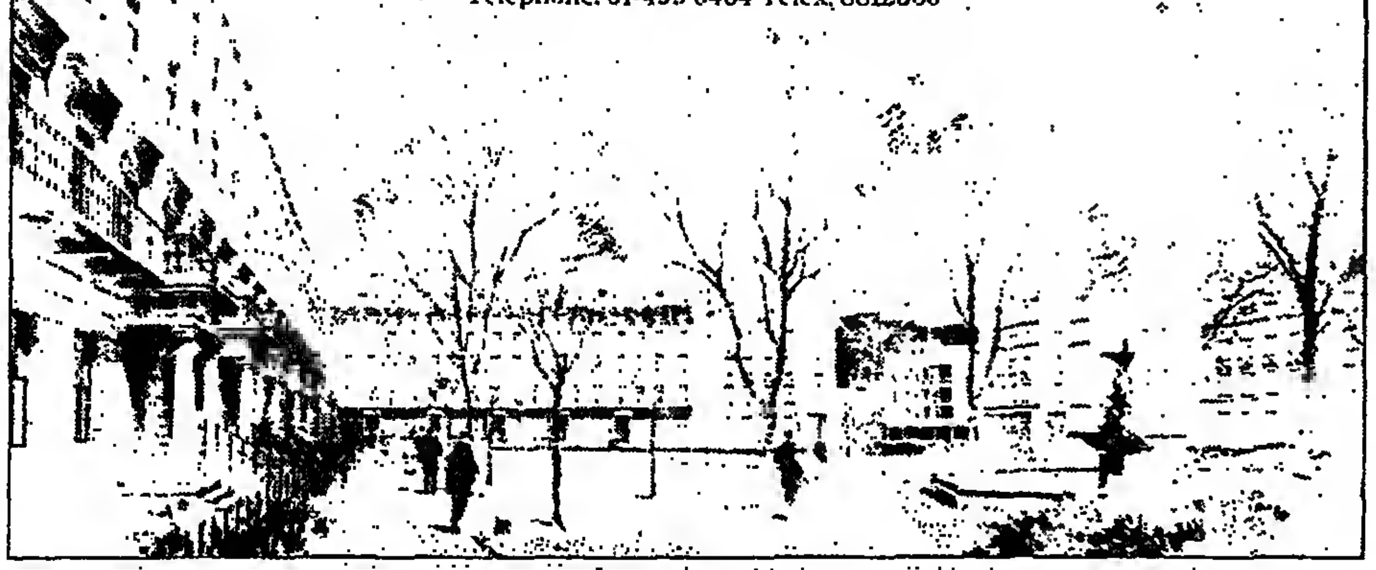

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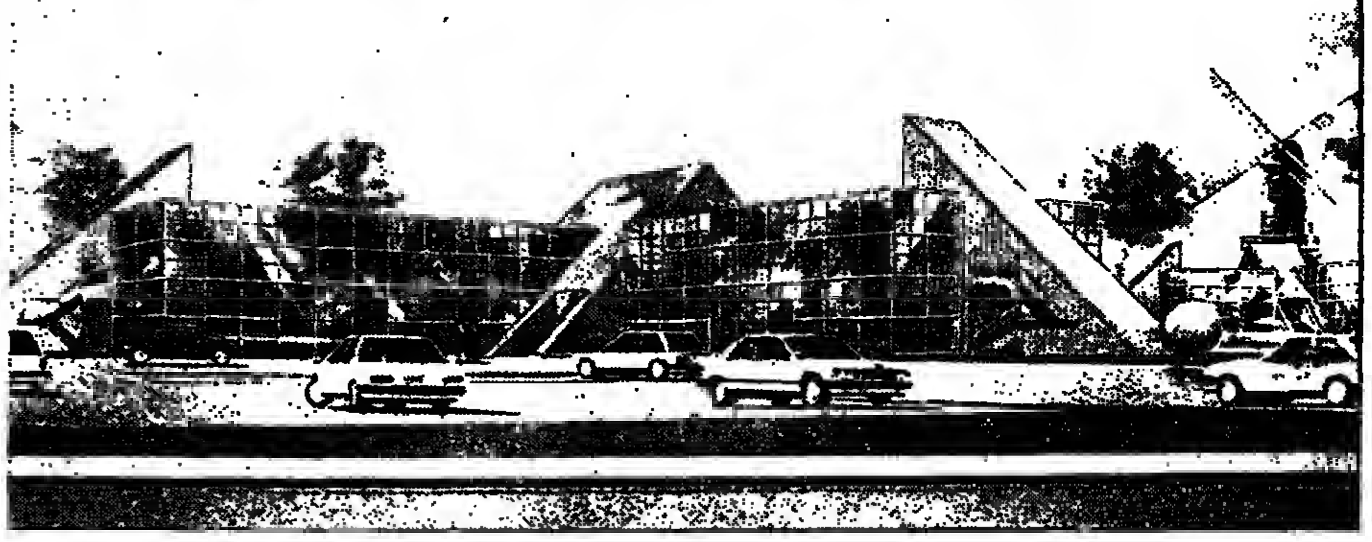

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UK COMPANY NEWS

SI Group jumps 96% and boosts dividend

AN IMPROVED perfarmance by two major subsidiaries coupled with the full benefit of the disposal of a heavy loss-making company is reflected in a near doubling of full-year taxable profits by the SI Group.

The company, farmerly known as Spencer Gears, reports a 96 per cent advance in profits from £0.58m to £1.13m during tha 12 manths to June 30 1983. Turnover was up at £8.51m against £7.43m.

A final dividend of 1p (0.7p) is being paid and together with the increased interim payment of 0.38p represents a 37½ per cent rise over last year's 1p total.

During the year Southern Industries and SI Coolers continued to increase their market share. The group'a results for the 12 months were the first after tha disposal of Spencer Gears.

At the interim stage profits before tax were ahead at £426,000 compared with £195,000, with turnover at £3.83m against £3.61m.

The growth of SI Coolers has necessitated a move to larger premises which has improved and increased all aspects of manufacture.

Since the year-end Southern Industries (Croydon) has acquired a subsidiary company, Central Bar Services. The function af this company is to supply the licensed, botel and restaurant trades with a range of capital and consumable items.

Reorganisation af smaller companies has continued. In particular a programme to modernise tha plant of Ambressey Engineering is being carried aut. Elsewhere the performance af the heat treatment section af SGL Sheet Metal has encouraged investment in further plant, and the improvement in Hibbert and Richards profits last year has been well maintained.

The group intends to dispose of the properties vacated by SI Coolers and Spencer Gears, and apply tha proceeds to early repayment of medium-term bank loans. During the year properties in Croydan and Leicester were sold and the proceeds were used for this purpose.

The current year has started with a record performance, with turnaver exceeding £3m ia the first quarter. Exceptional growth has been achieved by the two majar subsidiaries and indications are that this will be maintained.

Tax for the year took £77,000 (£82,000) giving net profits of £1.05m (£0.5m). An extraardinary credit this time af £105,000 against a £1.2m debit left an attributable surplus of £1.16m compared with a £0.71m deficit.

On a CCA basis pre-tax profits are given as £1m against £0.4m.

HIGHLIGHTS

Lex has a look at the equity market, which enjoyed its best day yesterday since the summer, before moving an ta comment on the Stock Exchange's major step in changing the rules on overseas dealings. **Logica**, Britain's largest independent camputer saftware company, is coming to the market with a full quote valuing the company at £50m on the minimum tender price. Lex reflects on the atate of play in the discount market after a series af satisfactory half-year profit statements. Finally Lex commenta on the bank-lending figures far September and the second-quarter figures on corporate finance.

Wm. Low nears £4m —lifts payout to 8.6p

A £601,000 increase lo £3.94m in profit for the year ended Septemhar 3 1983 is reported by Wm Low & Company, which operates retail supermarkets and freezer centres in Scatland. A final dividend of 6.1p lifts net total from 8p to 8.6p.

Mr J. P. Rettie, chairman, says the operating profit advanced by £453,000 to £4.03m, in line with an increase in turnover of 11 per cent to £132.59m. The net margin for the year is slightly ehead et just over 3 per cent. Despite some beavy opening costs, net margins in the second half were maintained at 3.7 per cent, reflecting the consistency being achieved in margin and cost controls.

The chairman says that with the new opening programme being squeezed into the second half, the turnover added hy the new stores was about £3m, or just over 2 per cent. Food inflatian accounted far some 4 per cent, leaving continuing progress in existing stores of 5 per cent in volume.

Mr Rattia describes the performance as "creditable" when viewed against the background of a difficult Scottish economy and aggressive competition from the national multiples, hoth in new opening and product pricing.

The year's profit was struck after charging interest £356,000 (£424,000) and crediting gain an sale of assets £263,000 (£183,000). Tax takes £651,000 (£970,000) ta leave the net profit at £3.29m, against £1.93m after an extraordinary dehit of £436,000. Earnings are 35.57p (29.14p) per share.

The development programme was "handled smoothly" with all four branches—Oban, Wishaw, Linlithgow and Dundee—opening on nr ahead of schedule. All are aff ta gaod starts with Oban and Linlithgow particularly successful. Total supermarket sales area at the year end is 355,000 sq ft, an increase to 17 per cent aver September 1982, says the chairman.

Referring ta new developments, Mr Rettie says Forfar opens on Novemher 8 (15,000 sq ft replacing 5,000 sq ft), and Lanark (10,000 sq ft instead of 4,000 sq ft) and Edinburgh (20,000 sq ft) will open midsummer 1984. Substantial extensians to the stores in Perth and Berwick shauld also be completed within the 1983-84 financial year, adding a further 15,000 sq ft in sales area.

"Negotiations are underway far several sites as we continua to increase our productive sales area both hy replacements and new additions."

Lowfreeze, the freezer centre division, improved its performance as the year progressed, althaugh it accounts for anly about 7 per cent af turnover and profit, it is beginning to show worthwhile improvement and contribution. There were na new openings in 1982-83, but with the confidence engendered by the latest results, "we intend to resume expansion of the chain."

With the new openings making a growing contrihution to profit, as the year proceeds, hut faced with e difficult market position as a whole, the group anticipates modest progress in aperating profit in 1983-84."

● **comment**

The results from Wm Low were comfortably ahead af expectations and shares rose 12p to close at 294p to yiald 4.26 per cent. This 44-strong group of stores has shown that even in the cutthroat world of food retailing it is still possible ta increase turnover and margins. Canny and cautiaus, as ever, the comnany ends its report on e subdued note warning of a difficult market in the coming year. Yet after achieving a pre-tax profit of £3.68m before property dispasals, in a year which saw the heaviest capital expenditure yet a figure next year af £4.25m should be on the low side. Low has achieved most of the major cost savings it can from marketing and distribution improvements, but still has a number of older stores which await modernisation or replacement to improva sales per sq foot. Its high quality, fresh food image successfully emulates Sainshury in an area of the country where the retail giant has yet ta venture. The shares are on a modest fully taxed prospective p/e af 13.

Securities Trust

Revenue of the Securities Trust of Scotland, investment company, increased from £1.21m to £1.42m far the six months ended Sentember 3 1983, after tax of £777,000, against £665,000.

Earnings per 25p share were 1.72p (1.45p adjusted) and the interim dividend is effectively lifted ta 1.1p (1p). Directors expect to be able to recommend a total for the year af not less than 3.05p (2.775p adjusted).

Net asset value per share is given as 118.3p (83.8p) at par and 121.8p (87.8p) at market value.

M.Y. Dart in red despite turnround on UK side

A RETURN to profitability in the UK has enabled MY Dart to approach a hreak-even position in the half year ended July 2 1983. The group bas cut its loss from £306,000 ta £45,000.

The UK showed a turnround from a loss of £66,000 to a profit af £322,000; but the deficit incurred hy the overseas subsidiaries shot up from £240,000 to £367,000. In view of the lack af any real prospects of improvement, the wholesaling operations in France are in the process of being discontinued, and substantial rationalisation is also taking place in the U.S. reports the chairman Mr Paul Marks.

The remedial actian will largely be completed by the end of the current year and will end the trading deficits presently heing sustained in those countries. Although extraordinary losses will ha incurred overall barrowings will be redneed.

Mr Marks says the improvement in most areas of the UK side should mean that profit prospects for 1984 are enhanced.

Substantial improvement was made in the packaging and pyrotechnic divisions and the cycle business also produced good results. Elsewhere in the sports and leisure divisian there was a continuance of costs associated with the relocation of plant whila sales were less than satisfactory far certain products.

An interim dividend of 0.25p net is declared, against a one and only nominal 0.1p last time. And consideration will be given to a final when the accounts for the year are available. The payment of an interim recognises the return ta profitability in the UK and the decisions ta discontinue unprofitable aperations overseas.

Sales for the half year were £12.02m (£11.56m) with £10.53m (£9.54m) in the UK, and the trading profit came out at £652,000 (£487,000). The loss attributable was cut ta £26,000 (£348,000), equal to 0.24p (2p) per share basic or 0.22p (1.87p) fully dilnted. For the year 1982 the loss was £558,000 befare tax and exceptianal charges.

Scot. Mortgage

Gross investment income of Scattish Mortgage & Trust rose from £5.06m to £8.09m in the six months ta September 30 1983 and the net interim dividend is being lifted from 2.5p to 2.9p.

The directors forecast to at least maintain last year's final of 3.3p and say the total distribution will be covered by earnings.

These advanced from 2.5p to 2.9p at midterm after tax af £1.55m (£1.04m). The available halance amounted ta £2.65m (£1.89m) and the asset valne per 25p share at September 30 was 362.1p (331.3p at March 31).

The directors say that in general, the current level af most stockmarkets appears justified by the business autlook and the company's liquid balances in consequence remain small.

F.J.C. Lilley increases to £6.5m in first half

INCLUDING a first full contribution from Mallerstang Holdings, acquired in October 1982, turnover af F. J. C. Lilley, civil engineer and building contractar, advanced from £93.8m to £110.51m in the half year to July 31 1983 and pre-tax profits rose from £5.03m to £6.52m.

The directars say the group's success owes much ta its increased involvement in contracts abroad and its investment in the U.S., which together account for 38.5 per cent of turnover.

They say the construction industry in the UK, particularly in the civil engineering side, is going through a difficult time, but the order book level will ensure the valume af first half trading will be maintained during the second six months.

During the opening period, Millars Wellpoint International was sold. The other manufacturing companies are still finding markat conditions very difficult and nntil there is a resurgence of demand for their products, a satisfactary return on investment will nat be achieved.

Half yearly earnings per 25p share improved from 4.77p to 5.17p and the net interim dividend is effectively raised from 1.089p to 1.2p at a cost af £952,165 (£857,662). Last year's total payment was equivalent ta 3.025p from profits of £11.03m.

The midterm trading result expanded from £7.16m to £9.11m and the taxable outcome was after depreciation of £3.15m (£2.3m) while including interest received af £559,000 (£177,000).

Tax ebsorbed £2.26m (£2.15m), minorities £161,000 (£103,000) and an extraordinary debit £94,000 (nil). This was in respect of loss on disposal of a subsidiary, and it left the ettributable balance at £4.01m (£2.73m).

● **comment**

Lilley has its acquisition policy ta thank for a 30 per cent first-half increase in pre-tax profits. After stripping out Mallerstang, which probably contributed around £1.6m, underlying profits actually slipped slightly, which illustrates all to clearly how tough the marketplace is in the UK for civil engineering work. Fortunately Lilley can fall back an its more buoyant overseas interests, particularly in the U.S. where the construction company Petro-Chem has emerged from losses and Harrison Western continues to make headway with new tunnelling contracts. In the UK tha Government shows no sign of relaxing its tight fist over public expenditure, so Lilley will have to contnue with its dependence on overseas businesses to prop up its premium rating. Lilley should be good for £13.5m for the yeer, which pnts the shares, at 93p, up 3p, on a fully-taxed p/e of 11.6 allied ta a yield of 5.2 per cent.

Pressac upturn to £1.1m and final payout doubled

FOLLOWING A sharp npturn in profitability in the second half of its 1982-83 financial year, Pressac Holdings, alectro-mechanical component manufacturer and precision engineer, is doubling its final dividend to 1.5p net. This makes e total of 1.85p per 10p share, against 1.1p previously.

Pre-tax profits for the 12 months ended July 31 1983 jumped from £146,000 ta £1.14m—mid-year figures were ahead £50,000 at £212,000—while sales rose by £4.13m to £13.88m.

The taxable figures were struck after distribution costs of £835,000 (£641,000), administration expenses af £1.02m (£817,000) and interest payabla up from £170,000 ta £193,000.

After a tax charge af £356,000, against e £6,000 credit, net profits were ahead from £152,000 ta £779,00. Minority credits added £11,000 (£33,000) and earnings per share climbed from 1.79p to 9.36p.

Recovery in the whita goods and furnishing sectors is becoming evident, tha directors state, and the benefits from the develapment in these directions should soan be felt.

Although at present, sales abroad are limited by persistent recession, the penetration of export markets have grown and further advances are expected in the current year.

The development of new products for all sectors is being maintained for the future and tha directors laak forward to continuity of expansion.

Current cost accounting rednces pre-tax profits to £893,000 (£130,000 losses).

Black Horse holds bonus

Black Horse Life Assurance, the life company member af Lloyd's Bank, yesterday announced an unchanged reversionary bonus rate of £4.5 per cent of the basic benefit and altaching bonuses, for the year ending October 1 1983.

This will apply ta all with profit whale life and endowment assurance contracts, including low cost endowments used to repay mortgages.

However, the terminal bonus rate on death claims is doubled from 20 ta 40 per cent of existing bonuses.

Black Harse Life only atarted writing conventianal with profit business in 1979, sa as yet thera are na maturing policies.

The interim bonus rates are maintained at these levels.

Mr Harry Spells, general manager, said the declaration pravided further evidence of progress in establishing Black Harse Life as a good with profits life company. The campany bad had a successful year with its investments, and the substantial capital appreciation was reflected in the higher terminal bonuses.

RESULTS AND ACCOUNTS IN BRIEF

WINTERBOTTOM ENERGY TRUST—NAV per ordinary at October 14, 1983, was 84.4p after deduction of prior charges at par and 86.5p after deduction of prior charges at market value.

EPICURE HOLDINGS (construction industry services, hotels)—Results far the year ended June 20, 1983, reported September 19. Grovo fixed assets £8.99m (£7.94m). Net current liabilities £725,000 (£463,000). Shareholders' funds £6.6m (£6m). Meeting, Charing Cross Hotel, WC, October 31, noon.

LONDON SHOP PROPERTY TRUST—Results lar year ended April 30, 1983, reported September 18. Properties £96.49m (£81.4m). Shareholders' funds £71.05m (£58.75m). Current assets £15.44m (£5.45m). Current liabilities £11.98m (£10.1m). Meeting, Great Eastern Hotel, EC, November 10, at 2.30 pm.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bluemel Brothers, William Cook (Sheffield), Midsummer Inns, Stenley Miller, Uniflex.

Finals: Goodman Brothers, Lowland Investment, North Sea Assets, Rand Mines Properties.

FUTURE DATES

Interims—

Barlows	Oct 27
Bulmer and Lumb	Nov 23
Causton (Sir Joseph)	Oct 28
Fleming Far Eastern Invest. Trust	Nov 3
Francis Industries	Oct 25
Hambros	Nov 21
Hambros Investment Trust	Nov 3
Reed International	Nov 1
Ruddle (G.)	Nov 18
Small (John C.) and Tidmas	Oct 28
TR Industrial and General Tst.	Oct 28
"The Times" Veneer	Oct 25

Finals—

Border and Southern Stockholders Trust	Oct 24
Gaunt (Rowland)	Oct 28
Samuel Properties	Oct 25
Stothert and Pitt	Oct 31
TR Australian Invest. Trust	Oct 28
Ulster Television	Oct 28

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-ponding div.	Total for year	Total last year
Anchor Chemicals ...int.	1	Nov 30	1	—	3
Arcolectric ...int	Nil	—	0.25	—	0.55
General Scot. Tst. ...int	1	—	1	—	3.1
Gerrard & National int	3	Dec 7	3*	—	10*
F. J. C. Lillay ...int	1.2	Nav 30	1.09*	—	3.03*
London Atlantic ...int	1.75	Dec 16	1.75	—	5.25
Wm. Low ...	6.1	Jan 6	5.9	8.6	8
Markheath Secs. ...int	4.55	Nav 30	4.55*	—	9.42*
M.Y. Dart ...int	0.25	Dec 12	0.1	—	0.1
Pressac Holdings ...	1.15	Dec 2	0.75	1.85	1.1
Selincourt ...int	0.03	Dec 7	0.01	—	0.01
Scot. Mortgage Tst. int	2.9	—	2.5	—	5.8
SI Group ...	1	Jan 9	0.7	1.38	1
William Sinclair ...	2.75‡	—	2.75	4.25	4.25

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisitian issues. ‡ USM stock.

Low demand in UK hits Anchor Chemicals

UK DEMAND at Anchor Chemical Group for the first half of 1983 was at an even lower leval than in the last full year, says Mr B. B. Pugh, chairman. Pre-tax profits for the six months fell sharply from £333,000 to £210,000, on turnover ahead from £6.83m to £7.17m.

Lower UK costs, as a result of "strong action," plus a marginal improvement in UK business and improved overseas results, indicate that profits in the second half will show an improvement on the first half, says Mr Pugh. In the last full year pre-tax profits came to £553,000.

In his last annual statement Mr Pugh says that he referred to lower profitability overseas in the latter part of tha year as a result of recession in overseas territories. In the second quarter of this year he now says there was an upturn in activity overseas, particularly in the U.S.

The net interim dividend is held at 1p—in the last full year a total of 3p was paid. Earniags per 25p share for the six months fell sharply from 6.1p to 2.2p.

Turnover for the six months for this speciality chemical manufacturer, processor and distributor comprised: home £2.89m (£3.2m); export £1.91m (£1.67m); overseas £2.37m (£1.95m).

Because of the lower UK demand it has been necessary, says Mr Pugh, to carry out strong action to cut costs which has caused a further reductian in tha UK workforce.

After tax af £146,000 (£137,000) and extraordinary debits last time of £20,000, attributable profite fell from £176,000 to £64,000. Dividends will absarb £28,000 (same).

Arcolectric loss

1983 Arcalectric (Holdings) has increased its sales from £2.11m ta £2.31m but turned in a loss of £71,856, against a profit of £89,816.

However, sales continue to rise and the "picture at tha end of the year may be brighter." The company makes electrical switches, neon signal lamps, and other electrical components.

The loss per share comes out at 1.07p, against earnings of 1.34p after tax of £39,900. The interim dividend is being omitted—the 1982 payment of 0.25p was followed by a final of 0.3p.

Continental Microwave calls for £1m

Continental Microwave, an Unlisted Securities Market company, is calling on its sharehalders for over £1m by way of a one-for-six rights issue at 660p a share.

The proceeds will be used ta repay a secured loan, provide working capital for expansion, and to finance the acquisition of a 62 per cent interest in RF Technalagy of Connecticut in the U.S.

Continental Microwave had announced that it was taking a 51 per cent interest in RF Technology, but subsequent renegotiation resulted in Continental purchasing a 62 per cent atake for $320,000 cash (£213,000 at current rates), with an option to acquire the autstanding 38 per cent in 1985.

The directors of Continental are also recommending a capitalisatian issue of ane new ordinary share for each ardinary or employee share, becoming effective after the rights issue has closed. The company maeks telecommnnicatians, broadcast and defence electronics equipment.

UK COMPANY NEWS

William Sinclair down at £0.44m

ALTHOUGH second-half taxable profits were ahead at £862,000, against £833,000 last time, William Sinclair Holdings, a USM company, ended the year to June 30 1983 behind at £442,000, compared with £533,000. Turoover for the 12 months dropped from £33.03m to £30.34m.

At the interim stage, the company reported higher pre-tax losses of £420,000 (£300,000). However, because of the nature of its business—interests include agricultural seeds and horticulture—losses are normal in the first six months.

The full-year profits benefitted from a reduction in interest payments from £623,000 to £376,000 and reflecting a much lower tax charge of £2,000, against £216,000, the net result came out ahead from £317,000 to £440,000.

Minorities again accounted for £4,000 and there was also an extraordinary credit this time of £171,000 (£52,000 debit). Earnings per 25p share increased from 9.9p to 13.7p and the dividend total is maintained at 4.25p net with a final payment of 2.75p.

Pre-interest profits showed a reduction from £1.16m to £818,000. These were split as to: agricultural seeds and merchanting £312,000 (£321,000); horticulture and leisure £428,000 (£324,000); related companies £78,000 (£46,000) group administration profit £9,000 (£27,000 loss) and discontinned activities loss £9,000 (£492,000 profit).

The Sinclair McGill agricultural seeds division improved turnover by 8 per cent, but because of adverse weather and pressure on margins, profits were at a lower level than before. However, the division maintained its UK market share and the benefits of the research and development programme—particularly in cereals through Unicorn Plant Breeders and in grasses with European Breeding Connections—will be beneficial to future trading.

The borticulture and leisure division increased its profits by 32 per cent and further strengthened its position as one of the leeders in the home garden market.

During the year the group disinvested from its involvement in agricultural fertilisers and engineering wbich belped to improve liquidity by £2.25m.

'Good' but lower half at Gerrard & National

IN THE half year ended October 5 1983 Gerrard & National, discount house, bas achieved good profits, "but they are nnderstandably at a level well below the record figures for the comparable period last year," the directors state.

Over the period UK interest rates have declined from 10½ per cent to 9 per cent, althougb the fall in the yield on money market assets bas been much less pronounced.

The directors intend to raise the dividend for the full year above the equivalent 10p per sbare paid in 1982-83. However, they have decided to maintain the interim effectively at 3p. In the past year net taxed profit came to £14.21m, compared with £4.31m and £5.8m in 1981-82 and 1980-81 respectively.

See Lex

Weir Construction

A receiver has been appointed at Weir Construction and its two subsidiaries, Weir Timber Syatems and Weir Construction (Contracts).

Sound Diffusion up 63% midway

INTERIM pre-tax profits of Sound Diffusion, electrical engineer, ross by 63.25 per cent, from £1.42m to £2.31m for the six months to June 30 1983.

However, Mr C. R. P. Stonor, chairman, says that the improvement does not reflect the dramatic increase in the rate st which new high quality rental business bas been obtained during the current year.

He adds that late delivery by suppliers caused by this growth is a diminishing factor. The current order book awaiting installstion is significantly higher than the aggregate value of all the installations completed in 1982, he says.

Turoover for the opening half, including completed installations sold or scheduled to be sold on lease - type arrangements, expanded from £3.53m to £5.06m.

Mr Stonor says that the installation rate is steedily rising, but be is not certain thst the completions which are achievable by the year-end will be sufficient to give excellent rather thsn good results. He says, however, that the group's growth and progress during the last six months bave exceeded the directors' most optimistic targets by a "very substantial margin."

In the year to December 1982 the company made pre-tax profits of £3.25m (£1.59m) with turnover at £9.01m (£6.76m).

Earnings per 5p share, on the current sbare capital increased by a two-for-one scrip issue, are given as rising from 1.02p to 1.67p.

Tbe chairman saya that the acquisition of the kitchen manufacturing company sbould be completed during the next month, and be hopes to complete the purchase of a lift manufacturing company at the same time.

Haynes Publishing

Haynes Publishing Group bad received several inquiries from publisbers wishing to purcbase the magazine "Automobile Sport" from the group. Mr J. H. Haynes, the chairman, told the annual meeting.

One inquiry had resulted in an offer which was currently nnder consideration.

Atlantic Resources find has impressive potential

MR A. J. F. O'REILLY, chairman of Atlantic Resources the oil and gas exploration, development and production company, describes the recent oil discovery in the Celtic Sea by Gulf Oil (Ireland) as bighly significant. Gulf is the operator for a consortium in which Atlantic has a one-third interest.

He reports to sbarebolders in bis interim statement that the exploratory well, the second drilled by the consortium in block 49/9 this year, flowed oil at the rate of 9,901 barrels per day from three intervals and gas at 2.1m cubic feet per day from a fourth interval. The oil tested was extremely bigh quality.

Although further studies and appraisal drilling are required, and are alresdy being planned, the company seea the results so far as full vindication of its exploratory philosophy. The significance of the find extends far beyond block 49/9 for the company is a substantial bolder of other acreage in the Celtic Sea, Mr O'Railly points out.

Atlantic is currently involved in s third exploration well in the Celtic Sea in block 56/18. Gulf Oil is operator for this expanded group which includes Atlantic Resources, Unionoil and Hydrocarbons Ireland. Atlantic has a 25 per cent carried interest in the current well.

As regards the company's involvement in the Porcupine Basin, Mr O'Reilly says this bas naturally been overshsdowed by the Celtic Sea discovery. Together with its partners in block 7/76, the company is continuing its evaluation of the results to date and it is hoped that it will, in the near future, be in a better position to report on its strategy in this area.

Within the U.S. economy the company is still suffering from over capacity in the gas market and, although that country's economy is showing strong signs of recovery, it is likely to be next year at the earliest before Atlantic can start selling gas at a satisfactory rate.

The gas "bubble" is also giving rise to attacks on the incentive prices for which most of the company's gas qualifies and to wbich its gas purcbasers are continually tied.

He says not only does the company bave great confidence in its unexplored acresge, it is also impressed by the potential of the oil discovery itself, even though some further appraisal work is required before its commerciality is determined. Careful consideration of the means by which this work will be financed is therefore required, but the company has no immediate plans to seek further funds from its shareholder.

For the first half of 1983 there was a pre-tax loss of I£515,000 compared with an I£82,000 deficit

After taking into account tax of £40,000 (£79,000) and unrealised excbange gains of £245,000 (£277,000), the net loss for tbe first six months amounted to £310,000 (£116,000 profit).

The consolidsted balance sheet at June 30 1983 shows deferred exploration and development costs at £19.65m (£14.02m) and casb and bank balances up from £2.61m to £3.86m. Bank borrowings due within 12 months were down from £6.94m to £385,000, while those of a longer-term totalled £9.01m (nil). Shara capital increased from £1.95m to £3.51m and share premium was higher at £10.26m (£7.13m).

Selincourt setback but growth seen over year

ALTHOUGH profits for the first half at Selincourt fell from £253,000 to £101,000, they are on target against the budget for the year.

The budget projects a midway decline but a significant increase over the full year as a consequence of the phasing in of progressive benefits from management actions, explains the chairman Sir David Nicolson.

"There is no evidence in the textile and clothing sectors of the upturn reported in other parts of the economy, and this, coupled with poor weather in the spring and early summer, fully justified our cautioo," he says.

With selliog for the new spring season off to an encouraging start, the chairman is looking for an increase in operating profits over last year. However, the general trading pattero is not yet sufficiently developed to eoable the final result to be forecast.

For the 1983 balf year turnover was well below budget at £31.38m, compared with £31.67m. Margins, overheads and interest payments were all better than expected. After tax £23,000 (£89,000), and minorities £4,000 (£5,000), the attributable profit came out at £74,000 (£159,000) for earnings of 0.14p (0.3p) per share. The interim dividend is a nominal 0.025p (0.01p).

An improving performance from some major subsidiaries augers well for the future, and is a direct result of action taken by their management to adjust to current conditions and market shifts.

On the other band, disappointments in some areas illustrate the delays and frustrations encountered in changing business direction in a hostile operating environment. These situations are under review and appropriate action is being taken.

Markheath Securities sees substantial increase

TAXABLE PROFITS of Markheath Securities are expected to show a substantial increase for 1983 say the directors in their interim statement.

During the first six months to June 30 1983 the pre-tax deficit fell from £315,000 to £247,000 on turnover up at £500,000 against £272,000. The interim payment is being held at an equivalent 4.55p net per share.

For the 1982 year the taxable surplus increased from £1.34m to £1.83m.

During the first six months, as anticipated, no commercial developments were sold, but the directors believe that 1983 profits will expand in the light of planned sales for the year taking place.

Since June, Hobart House, Southgate, has been sold for £2.95m. The directors say that construction work on the company's office development at Stratford Broadway is almost complete, and negotiations are taking place with a number of potential occupants.

They odd thot the two office developments in Watford will be completed later this year, and negotiations for letting are at an advanced stage.

Planning permission is expected shortly for a new 40,000 sq ft office development in Southgate, and option agreemeots have been exchanged for the purchase of the Gaumont cinema site, Tally Ho Corner. The company has tendered a planning application for this site for 130,000 sq ft of offices, two cinemas, theatre, banking hall and sports training facilities.

House sales at Allum Park, Elstree, and Scarlet Spring, Northwood, are continuing satisfactorily.

The retained loss for the period was higher at £626,000 against £556,000 after dividend payments of £379,000 compared with £201,000. Last time there was an extraordinary debit of £40,000. The loss per 25p share is given as 1.74p (2.33p).

Silvertown Eng.

Joint receivers and managers have been appointed at Silvertown Engineering, which makes and supplies commercial lighting equipment.

The receivers—Ian Watt and Stephen James of Thomson McLintock & Co., the British member of KMG—are continuing the operations

BANK RETURN

BANKING DEPARTMENT

	Wednesday October 19 1983	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	37,912,789	— 501,620
Bankers Deposits	602,388 548	— 96,925,009
Reserve and other Accounts	1,563,152,455	— 61,475,459
	2 218,006,792	— 158,712,088
Assets		
Government Securities	468,365,867	— 320,000
Advances & other Accounts	854,088,425	— 93,557,036
Premises Equipment & other Secs.	892,807,063	— 67,544,188
Notes	12,580,498	+ 2,499,876
Coin	179,951	+ 9,260
	2,218,006,792	— 158,712,088

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	11,360,000,000	— 20,000,000
In Circulation	11,347,419,502	— 22,499,876
In Banking Department	12,580,498	+ 2,499,876
Assets		
Government Debt	11,015,100	—
Other Government Securities	3,694,469,157	— 159,511,302
Other Securities	7,654,525,743	+ 139,511,302
	11,360,000,000	— 20,000,000

MINING NEWS

Amex loses further $52m in the third quarter

BY KENNETH MARSTON, MINING EDITOR, IN PARIS

A WORSE than expected loss of U.S.$52.2m (£34.8m), equal to 87 cents per share, for the third quarter of this year is reported by Amax, the major U.S. diversified natural resource group.

It follows e reduced loss of $21.2m for the previous three months, but is less severe than the loss of $97.1m sustained in the third quarter of last year.

The latest quarterly results largely reflect a write-down in the value of stocks of molybdenum end copper at the end of the period in line with the respective falls in metal prices.

Matters have been made worse by the labour disputes at the Mount Newman iron ore operation in Western Australia, and the absence of special items flowing from investment sales in the previous quarter.

Cushioning the fall in latest earnings has been the strong market for aluminium, which has boosted income of the 50 per cent-owned Alumax. The U.S. coal and oil and gas operations also continued to do well, Amax being a long-term contract coal supplier to the U.S. domestic market and thus isolated from the now highly competitive export market.

For the first nine months of the current year, Amax losses amount to $122.1m compared with a loss of $145.6m in the same period of 1982.

It is expected that the current quarter will see a reduction in the loss, according to Mr Pierre Gousseland, chairman.

In Paris yesterday he stressed the major contribution to earnings of aluminium, now strengthened by the recent major acquisition for an undisclosed sum—believed to be in the region of $240m—of the Howmet aluminium subsidiary of the French state-controlled Pechiney.

Mr Gousseland described the deal as "One of these rare but beautiful transactions in which everybody benefits."

In the past quarter, Howmet made a nominal contribution to Amax earnings, but this will grow in the current three months and could assume a greater importance next year.

Amax revenue is now largely in energy—notably oil, gas and coal—and aluminium, offsetting the long-standing molybdenum interests that remain the major loss-maker, in line with the world recession in steel.

Mr Gousseland looks for an improvement in Amax earnings next year. He pointed out that the disappointing lack of response in metal prices to the world economic recovery led by the U.S. was because the recovery has so far been "consumer-driven."

The capital goods sector, vital to the mining and metals industry, remains stagnant. But he drew comfort from the fact that economists "now look to early 1984 for the upturn in capital goods to extend to heavy industry expenditures."

He added: "The consumer-led recovery of 1983 is paving the way to business-led expansion in 1984."

"Consumer confidence in the U.S. has soared, but business, which was battered and bloodied by the 1981-82 recession, is just now beginning to regain its confidence." Of the U.S. steel industry, he said: "There is still a long way to go, but at least we seem to be on the right road at last."

Perhaps these assessments apply to Amax itself: there is a long way to go but the now more greatly diversified group feels, with some justification, that it is over the worst. In London yesterday the shares were unchanged at $24¼ following the announcement.

Mixed results from Anglo American mines

THE SEPTEMBER quarterly reporting season from South Africa's gold mines is brought to a close with e mixed bag of results from the mines in the Anglo American Corporation group.

Western Holdings was without doubt the star performer, with a 62 per cent jump in net profits to R63.02m (£37m).

The quarterly reports were accompanied by final dividend declarations from the group's mines in the Orange Free State and an interim from the dump retreatment operation Ergo, and here again the outstanding showing came from Western Holdings, with a final of 325 cents (191p).

This was well in excess of the share market's best expectations, and compares with last year's final of 270 cents, bringing the total for the year to 680 cents against 480 cents in 1982.

The 84 cents from the holding company Welkom was also above the market's bopes, and lifted the total for the year from 123.5 cents to 175 cents.

President Steyn's final payment of 255 cents was generally in line with expectations, as was the interim of 27.5 cents from Ergo, but there will be some disappointment with the finals from President Brand and Free State Geduld.

The latest dividends are compared in the following table.

	Oct cents	April cents	Oct cents	April cents
ERGO	*27.5	35	*27.5	50
F.S. Geduld	215	*240	750	*160
Pres. Brand	220	*290	225	X210
Pres. Steyn	255	*280	205	*175
W. Holdings	84	X395	270	*210
Welkom	325	*91	71	X52.5

As far as the quarterly results are concerned, the fall in the gold price in dollar terms since the June quarter was not reflected in a comparable decline in the rands per kilogramme price as a result of changes in the currency parities. It is, of course, the price in local currency which is of greatest importance to the mines, and this remained relatively unchanged.

The prices are compared in the accompanying table.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce):

	Qtr ended Sept 30	Qtr ended June 30
ERGO	R14,888 ($418)	R15,110 ($432)
Elandsrand	R14,965 ($420)	R14,973 ($428)
Free S. Geduld	R14,913 ($419)	R14,985 ($427)
President Brand	R14,886 ($419)	R14,975 ($428)
President Steyn	R14,885 ($419)	R14,956 ($427)
S. A. Land	R14,859 ($418)	R14,883 ($424)
Vaal Reefs	R14,937 ($420)	R14,975 ($428)
Western Deep	R14,924 ($419)	R14,996 ($427)
Western Hldgs	R14,953 ($421)	R14,971 ($428)

The performance of Western Holdings owes much to the continued benefits of the deal under which the mine acquired Welkom and Free State Saaiplaas and went ahead with the development of the Erfdeel/Dankbaarheid area.

Once again, this area accounted for a substantial jump in capital expenditure from R16.4m in the previous three months to R57.6m this time.

With much of this available for offset against Western Holdings' tax, the mine received a credit of R8.8m, compared with a charge last time of R31.25m.

This more than compensated for an uninspiring showing from the mine's own gold operations, which produced lower operating profits after a slight fall in production consequent on a decline in the gold grade from 4.4 grammes per tonne to 4.33 grammes.

Several of the other mines in the group also received the benefits of higher capital spending in the form of lower tax charges than would have otherwise been the case, notably Western Deep Levels, President Brand and Free State Geduld.

Western Deeps did well at the operating level, with higher profits flowing from a jump in grade to 11.31 grammes per tonne from 10.7 grammes.

Kinta Kellas plans capital reconstruction

THE MALAYSIAN tin producer Kinta Kellas Tin Dredging has requested a suspension of its quotation in both Kuala Lumpur and London pending a capital reconstruction.

The company, which was recently taken over by a consortium of Malaysian interests, is believed to be planning a seven-for-one scrip issue, to be followed by a split of the 25p nominal value shares into 10p shares, reports Wong Sulong in Kuala Lumpur.

This would make the shares more marketable, as the last trades in Malaysia were made at a price of M$80 (£22.85).

The consortium, which comprises Sia Brothers Trading, Manong Construction and Kim Hing Construction, now holds 68 per cent of the Kinta Kellas equity, following a bid in July at M$58 in cash per share.

CONTRACTS

GEC wins £13.5m Nigerian order

GEC TELECOMMUNICATIONS bas won e £13.5m contract to modernise a microwave-radio communications system in Nigeria, originally installed by GEC in 1970. Equipment in 30 6GHz microwave-radio stations will be replaced by the latest GEC solid-state equipment. DC power plant with e standby battery supply will replace the existing unprotected AC equipment in 50 radio stations, including those on the link between Lagos and Kano. An alarm supervisory system — controlled in sections from Ibadan, Kaduna and Jos — will also be installed. The equipment will be made in GEC's Coventry and Treforest factories and delivery is scheduled for 1984.

★

GEO WIMPEY has won a batch of contracts worth £4.23m. Military quarters, a garage and store are to be built under a £1.25m order from the Lowland Territorial Auxiliary and Volunteer Reserve Association of Glasgow.

Glenrothes Development Corporation has awarded two contracts, which total just over £480,000 for the refurbishment of 162 houses in the Auchmuty precint of the New Town.

The Aberdeen office has been awarded the third and final phase of the South Kessock housing rehabilitation project by Inverness District Council. In the contract, which is valued at over £2.5m, 169 houses on Bridgeview Drive, Craigton Avenue, Carnarc Crescent and Kessock Road will be extensively refurbished.

★

A £1.9m contract for major refurbishment work at the Humana Hospital Wellington South in St Johns Wood, London NW8, has been awarded to JOHN MOWLEM AND CO. Work includes the replacement of the asphalt and tile finishes to the ward balconies, modifying the drainage and installing new windows throughout the building. Internally, the contract covers the refurbishment of the ceilings, complete decoration and new carpeting. An important requirement of the client, the Wellington Private Hospital, is that the work has to be carried out while the hospital remains occupied and there are severe restrictions on noise. Completion is due in April 1984.

★

AYGEE (GLASS), Erith (member of Aygee Group) is in the process of glazing what is claimed to be the largest framing and glazing contract in Europe—Terminal 4 at London's Heathrow Airport, for British Airports. Work is on behalf of the Grundy Group, contractors for the external cladding, value £12m. The Terminal, conceived and designed by The British Airports Authority to handle 8m passengers a year, will have a glazed sound-insulated facade using 18,000 sq metres of laminated glass, divided equally between double-glazed units and double windows.

★

PRESS CONSTRUCTION has won an order for the new gas compressor station at Warrington. Awarded by British Gas, the contract is worth just under £3m. Press Construction is providing all mechanical and electrical installation services, together with civil engineering work and landscaping for the station, which will form part of the 42 in national transmission system. The project, which will conform to very strict quality-assurance standards, entails the installation of some 14,000 ft of ½ in to 42 in diameter pipework along with the erection and connection of over 120 items of plant such as compressors, pumps, vessels and valving. The company is also main contractor for all electrical systems and instrumentation. Completion is scheduled for November 1984.

★

HADEN YOUNG bas won a batch of contracts totalling £9.4m. Mechanical services and plumbing contracts are worth £5.5m for an administration building for Williams and Glyn's Bank et The Angel, Islington in London. The construction work, under management cootractors, Trollope and Colls Management, is expected to be completed by the middle of 1985. A contract for mechanical and electrical services for the new British Embassy in Riyadh is among orders worth £3.9m awarded to Haden International in Saudi Arabia. Other work includes mechanical services for the new engineering faculty building at Jeddah University, and electrical work for e data processing centre in Jeddah for Al Bank Al Saudi Al Hollandi.

★

An order worth $1m (£666,666) for microwave simulator training systems has been received by the Californian based Thorn EMI subsidiary, SYSTRON DONNER CORP, from the Emerson Electric Co. The contract covers the development of a range of microwave receivers using microwave integrated circuit, thick film, airstrip, microstrip and digital techniques.

★

PEABODY STURTEVANT, in collaboration with Allco Steel (Queensland) has been awarded a A$29m (£17.7m) contract by the Queensland Electricity Generating Board. The contract covers the design, supply and erection of eight Peabody Sturtevant electrostatic precipitators to remove the dust produced by two 350 Mw coal-fired boilers, at Callide B power station, Queensland, Australia. Over 48m cubic metres of gas will be treated every day, and the precipitators will collect 2,500 tonnes of dust per day.

★

A £70,000 contract for the installation of timber flooring in new luxury flats at Haslemere, Surrey is being carried ont by PHOENIX FLOORS, a member of the Phoenix Timber group. Flooring throughout, amounting to over 4,000 sq metres, consists of the Durabella Westbonrne system, developed by Contiwood (Durabella), also part of the Phoenix Timber group, to provide Grade 1 sound insulation.

Dial Contracts to spend £50m on British cars

DIAL CONTRACTS, owned by the Barclays Bank Group, and said to be the leading company in car leasing in the country, intends to place over £50m worth of contracts with British car makers during the coming year.

★

Devy McKee's Frankfurt-based company ZIMMER AG bas received a contract from China National Technical Import Corp to build a high-speed spinning plant at Beijing for the Beijing Chemical Fibre Factory, Daxin County. The contract value is about DM 17m (£4.38m). Zimmer will supply the process, the entire engineering and equipment and will be responsible for the supervision of erection and commissioning, which bas been scheduled for 1985.

BIDS AND DEALS

Richardsons Westgarth disposals continue

By David Dodwell

Richardsons Westgarth, the loss-making engineer and steel stockholding group, has aooounced the sale of its subsidiary, Richwest Electronics, to the coal mining, oil and petrochemicals group Victor Products, for a sum that has yet to be finalised.

The disposal is Richardsons' third since July, and is part of a programme of eliminating loss-making activities. Abont three more disposals can be expected over the next six months.

In the 12 months to December 30 1982, the group lost £2.6m (£0.8m) on a turnover up from £47.6m to £58.2m. Results for the first half of the present calendar year are to be announced next Tuesday. Mr John Macdonald, the group's managing director, disclosed yesterday that the figures would incinde a below-the-line provision for the costs of redundancies and rationalisation.

Since Mr Macdonald became managing director in October last year, eight subsidiaries have been disposed of, and just nine remain. The steel stockholding and merchanting subsidiaries—some of which have maintained a return of more than 20 per cent on capital invested—have remained inside the group, with most of the disposals being manufacturing and contracting subsidiaries.

Completioo of the sale of the group's biggest loss-maker, Cromarty Firth Engineering, was also announced yesterday. Cromarty lost £1.2m last year, and the sale is expected to reduce group indebtedness by £200,000 a year.

Disposals so far are estimated to have improved the balance sheet by about £500,000. Group borrowings are at present about £2m, suggesting a gearing of about 25 per cent on net assets of £8m.

At the end of last year, less than half of Richardsons' subsidiaries were making profits. Only one was making a trading profit of more than £200,000—Haigh and Ringrose, its electrical and iostrumeotation engineer, earned earoed about £300,000.

Other moves to improve the balance sheet include plans to sell vacant properties, valued at close to £1m, and plans to move out of group headquarters in the ceotre of London, at a saving of about £75,000 a year. The company's shares ended the day unchanged at 27p.

Reuters flotation plans 'going well'

Lord Matthews, chairman of Fleet Holdings, owner of the Deily and Sunday Express and Deily Star newspapers, said after yesterday's annual geoeral meeting that any takeover attempt of the group by Mr Robert Holmes e Court, the Australian entrepreneur whose business interests have acquired a 5.5 per cent stake, would be "resisted."

He told shareholders at the meeting that the move towards the Reuters flotation was going "very well, albeit slower than I hoped but going forward." Pointing out that he had raised the issue 12 months ago he said, "you will recognise the wisdom of what I said. It is a very important issue to this company."

Explaining the time being taken for the Reuters flotation he said that there were complex issues to resolve and a large number of advisers involved.

Answering a shareholder concerned abont the Reuter Trust, Lord Matthews said that the trusta existed to protect the integrity of Reuter's editorial freedom. "There is nothing in the trust that prevents it going public. It has to. It has got to get its money from somewhere," he said.

He also explained that Fleet's stake in Sir Joseph Caustoo represented a "trade investment" and added: "we think in time it will be a good investment."

Lord Matthews was closely questioned by several shareholders abont severance payments to staff. He said: "We only pay what we are advised by our lawyers and edvisers is the correct amouot."

He said: "When you are anxious to acquire a man you cannot impose a different form of contract—yon can try to but you will not get the man. It is the tradition of Fleet Street. I deplore it and would like to get away from it. We are bound to pay the severance pay on whatever contract he has."

In a reference to Mr Kenneth Fleet, the former city editor of the Daily and Snnday Express, Lord Matthews said be had beard figures being mentioned which were "a long way from the actual figure."

Lord Matthews replying to the shareholder who read out a list of severance payments to former staff members said that a figure for Mr Fleet of £150,000 was "wrong." But he added "not too far away" when a figure of £84,000 was mentioned in respect of Fleet's predecessor at the Daily Express, Mr Roy Assersohn.

When a shareholder asked: "Who is the editor of the Daily Express this week," Lord Matthews commented that editors were like football managers. "Unless they produce results they have to be changed. It is very bard making a judgment on anybody until they work for you," he said.

Lord Matthews added after the meeting: "I would not be interested if Mr Holmes a Court decided to make a bid. Besides, he seems to be fully occupied with his other takeover in Australia," referring to Mr Holmes a Court's bid for Broken Hill Proprietary, Australia's biggest company.

During yesterday's annual meeting Lord Matthews said be was aware of the identities of most nominee shareholders and was aware also that Mr Holmes a Court had acquired substantial interests io the company over the past three to four months.

No meeting has taken place between him and the Australian since the build-up of the stake.

Suter raises Francis holding

BY CHARLES BATCHELOR

Suter, Mr David Abell's hairdressing, refrigeration and air conditioning equipment group, has increased its holding in Francis Industries to 17.1 per cent from 9.9 per cent.

Mr Abell said: "Francis meets all of our criteria. Most of the companies where we have strategic stakes have been capitalised in this region."

"Whether we go any further we will have to wait and see. But you must oot expect a bid tomorrow."

Mr David Burnet, maneging director of Francis, said: "We have no indication of what they plan to do. We are obviously continuing to monitor it closely. There does not seem to be any commercial logic in their having designs on us."

The Francis board believes Suter's high level of gearing—92 per cent et the end of December 1982—is making e bid for the rest of Francis very difficult, he edded.

Francis, which is based in Halifax, makes packaging and industrial products mainly for the petrochemical, food, paint and automotive industries. Pre-tax profits fell to £24,000 in 1982 from £1.74m oo turnover up to £32.7m from £29.9m.

Mr Abell said he viewed Francis as being io the recovery stage. Suter's policy is to take holdings in companies which it can realistically bope to acquire if it decides on a full bid, he added.

Suter increased its holding in Lake and Elliott, a maker of steel casing castings, to just under 15 per cent in August.

With the exception of the purchase of Prestcold, the refrigeration group, the company has not made any outright bids since Mr Abell became chairman two years ago.

Before moving into Suter, Mr Abell msde a considerable personal fortune through stock market dealings. "Now I do them for Suter," he said.

The latest increase in his shareholding was hought in a single block of 795,000 shares, taking his stake to 1.89m, by Suter's brokers Scrimgeour Kemp-Gee.

Suter's shares fell 1p yesterday to 64p. Francis Industries was unchanged at 66p.

Suter increased pre-tax profit from £162,000 to £1.02m in the six months ended July 2 1983 on turnover down to £22.2m from £29.1m.

Deltec has 29% of GB Papers

BY CHARLES BATCHELOR

Deltec Panamerica, part of Deltec, an international banking and investment group, has acquired a further 14.3 per cent stake in GB Papers, Scottish paper maker, taking its holding to 29.15 per cent.

Deltec, a Bahamas-based company with large investments in South America, acquired the shares from Drayton Consolidated Trust.

Mr James Gould, company secretary of GB, which is based at Guardbridge, St Andrews, Fife, said: "We have had discussions over the years with Deltec directors and they have always said their shares were beld as an investment." Deltec already has one representative on the GB board, the Marquess of Douro. Drayton did not have a board representative.

Deltec advised GB of its share purchase oo Wednesday and has not requested a meeting with the GB board.

GB chairman Mr Roger Fleming, told shareholders last month that the six mooths ended September 30 would be ahead of expectations although there was still surplus capacity in the industry.

GB made a pre-tax profit of £544,000 in the 12 mooths eoded March 31 1983 against a loss of £133,000 and returned to a dividend after a two-year gap.

GB's shares rose 8p yesterday to 40p.

Flogas to seek listing on USM

By William Dawkins

Flogas, an importer and distributor of liquid petroleum gas (LPG) and LPG appliances in Ireland is to apply for a qnotation on the Unlisted Securities Markets in London end Dublin.

The company plans to issue 4.9m shares—30 per cent of the total equity—at a price of I£0.77 (about 61p) each. It will be placing 75 per cent of the issue with institutional investors end the rest will be made available to the public.

At the placing price, the issue will raise about I£3.8m, of which I£3m represeots new equity, with the balance consisting of sales of existing shares by the directors.

The funds will be used to finance the company's development which includes plans to enter the UK market, and pay off borrowings of I£1.7m.

Flogas, founded in August 1978, bas seen pre-tax profits grow consisteotly to I£1.019m on a turnover of I£10m in the year to May 31 1983.

It holds an estimsted 10 per cent share of the Irish market for LPG end LPG appliances in the domestic, industrial and automotive sectors, and plans to increase its market sbare to 20 per cent within five years.

The company is backed by the Development Capital Corporation (DCC), a venture capital and issuing bouse, which currently holds 49.4 per cent of the issued share caoital. The executives bold 20.8 per cent and the balance is in the bands of private shareholders.

Following the placing, net tangible assets per share are expected to be I£0.42p.

The placing is being sponsored by DCC and stockbrokers Simon and Coates.

APG acquires Utd. Forktrucks

Allied Plent Group has agreed to ecquire United Forktrucks, as foreshadowed in its annual report. United is engaged in the distribution and hire of Datsun forktrucks in West Yorkshire.

Consideration for 90 per cent of the acquisition is equal to 90 per cent of United's essets et December 31 1983, and will be satisfied es to £100,000 by an issue of 500,000 ordinary Allied shares and £103,025 in cash.

Further consideration will become payeble if United's profits for the year to July 31 1984 exceed £60,000.

Allied bas also entered into option agreements to acquire the remaining 10 per cent from minority shareholders of United for a consideratioo dependent oo its profitability for the three years to December 31 1986.

In the 1982 year United made a profit before tax of £60,000 and at that date net tangible assets were £225,000.

Allianz/Eagle Star

On October 19 Allianz Versicherungs acquired 3.25m ordinary shares in Eagle Star Holdings represeoting 2.35 per ceot. Prior to these acquisitions, Allianz beld 38.25m ordinary shares represeoting 27.65 per ceot of Eagle Star. Allianz therefore holds or has rights to over 41.5m ordinary shares representing 29.99999 per ceot of the voting rights in Eagle Star.

Share stakes

Computer and Systems Engineering — Doos Nominees D account is interested in 507,500 ordinary (5.38 per ceot).

Target Managed Currency Fund—The following boldings represent in excess of 5 per cent of participating shares in issue: Midland Bank Trust company account 19241208—175,000 shares. Time Off 152,054 shares.

Gibbs and Dandy—Smith and Sons (London) has acquired 11,625 ordinary (0.668 per ceot) and bolds 176,275 ordinary (10.13 per ceot).

Glen Abbey directors have become awere of an acquisition by Mr J. J. Teeling of an interest resulting io a holding of betweeo 14 per cent and 15 per cent of ordinary shares.

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FINANCIAL TIMES SURVEY

Britain's second city, once the symbol of post-war prosperity, is now engaged in a £1.5m promotion drive to attract new businesses and jobs. A £10m programme has also been launched to demolish old factories and improve the environment.

BIRMINGHAM

Birmingham's rejuvenators: (left to right) Mr Harold Blumenthal, chairman of the economic development committee; Mr Neville Bosworth, leader of the Conservative-controlled city council and Mr Tom Caulcott, chief executive of the council

City lures the entrepreneurs

By ARTHUR SMITH, Midlands Correspondent

"WITHIN OUR resources there is no limit to which we are prepared to go to create industry and wealth in Birmingham." That is the pledge of Mr Harold Blumenthal, self-made businessman, amateur pilot, and chairman of the economic development committee in what is often regarded as a fairly Right-wing Tory administration.

Indeed, the interventionist stance on economic affairs contrasts with the Thatcherite orthodoxy which the city is practising elsewhere. Privatisation is well under way; local government jobs are being axed; the closed shop has gone; rates have been cut for the first time in 40 years.

Mr Blumenthal adds, however: "The situation in Birmingham is very serious." Recession has ravaged manufacturing; the city that was once the symbol of Britain's post-war prosperity has seen the number of jobless shoot up to rank with the worst of the traditionally depressed areas; unemployment in some of the inner city areas, usually those with the heaviest concentration of coloureds, has risen to nearly 40 per cent.

"No one is sitting around on their bottoms and wringing their hands." Mr Blumenthal insists. "We are trying to change the image of Birmingham through publicity." Some £1.5m has been allocated for promotion this year — four to five times the level ever previously contemplated.

"We are trying to change Birmingham through its buildings." A £10m programme has been launched to buy up old factories, demolish them, and improve the environment. It complements the city's other attempts to encourage new business.

"We must act as a catalyst for change," Mr Blumenthal argues. But he does not minimise the size of the task: "we can create a few jobs but the large companies with their redundancies shed thousands overnight."

Mr Blumenthal believes Birmingham must trade on its central location and the native skills that put it in the forefront of the first industrial revolution. With free market zeal, he argues: "we have to create the sort of climate in which entrepreneurial brilliance can flourish."

That belief in entrepreneurs and the efforts of the individual is perhaps what characterises Birmingham's politics and makes it possible for Conservative and Labour to achieve a consensus on the core issues for economic regeneration. Party politics is important, but, regardless of the regular switch of power, the main thrust of council policy is directed towards encouraging business and employment.

Mr Neville Bosworth, a local solicitor and long-serving leader of the Conservatives, has the advantage over Mrs Thatcher when it comes to adopting Churchillian airs—he looks the part and has been doing it longer. A squat, balding figure, he peers over the top of his spectacles to launch an attack on what he calls "the Socialists." But had not the Conservatives been forced out of the middle ground with their defeat in May 1982 of the administration of Mr Clive Wilkinson, a leading figure on the Labour right? "They were not moderate at all. They were toeing the Party line and would have overspent by millions of pounds," Mr Bosworth reports.

He says: "We spent £17m less than was budgeted for 1982-83 and that was within weeks of taking office." He also points with pride to the 15p or 12½ per cent cut in rates. By orthodox Conservatism — the sale of assets including 6,000 council houses—finance has been made available for capital spending or orthodox Keynesian-style pump-priming of the local economy.

Mr Bosworth scoffs at the suggestion that his administration might be going against market principles and playing too interventionist a role in the local economy. "If public money will lead to more development of private industry and more jobs, it is money well spent," he insists.

Perhaps two important issues —privatisation and the planned new convention centre—best serve to illustrate that, notwithstanding the rhetoric, the government of Birmingham tends to the pragmatic rather than the ideological.

On the emotive issue of refuse collection, the newly-elected Conservatives put the contract out to tender. The city's own dustmen joined with the management to draw up plans to drop restrictive practices, shed labour and submit a price good enough to beat off competition from five private sector businesses.

Again, the Conservatives, faced with proposals to commit Birmingham—already established as a conference venue—to £120m development to break into the international convention market, have sought all party support. The ruling Conservatives are not prepared to go it alone.

The stakes are high: such a facility could create 2,000 new jobs and in the first year of operation bring £40m into the local economy. But so is the cost: the proposals envisage the local authority spending £90m in a five-year period with the balance coming from the private sector.

The politicians reflect and are part of the changed economic circumstances. From a position a decade ago when in prosperous Birmingham the duty of the local authority might have been to curb the excesses of industry, now the task is to nurture and encourage new projects.

Prodding behind the scenes to make a city acutely aware of its distinguished civic buildings, heritage and traditional industries—more conscious of the needs of the outside world is Mr Tom Caulcott, the chief executive appointed by the Labour Council on the eve of its defeat by the Conservatives.

"Birmingham is a place that gets things done," Mr Caulcott enthuses. He points to the city's initiative in backing the £50m investment on the National Exhibition Centre.

Civil servant

In Mr Caulcott the city also has a man who perhaps knows how to get things done. At 56, he is a former career civil servant with an intimate knowledge of local government. After serving in a number of departments—he was private secretary to a series of Tory Chancellors and to the former George Brown in the short-lived Department of Economic Affairs—he left the civil service in 1976 to become secretary of the influential Association of Metropolitan Authorities.

One of his first tasks at Birmingham has been to pull together the various economic initiatives under one development and promotion unit accountable to him. The small 16-strong unit with a £2m budget now acts as a focus to deal with enquiries concerning grants and assistance, commercial property and planning.

Mr Rob Hughes, head of the unit and formerly Mr Caulcott's personal assistant, also overseas the Convention and Visitor Bureau — set up to boost Birmingham's share of the conference business—the National Exhibition Centre, and the special company formed to run the Science Park at Aston University. He also handles relations with outside bodies, such as the chambers of commerce and the Confederation of British Industry.

The Government's proposed reorganisation of local government involving abolition of the present West Midlands County Council in 1985 is something Mr Caulcott looks forward to eagerly. He argues that the removal of the top tier is a very necessary reform. "In Birmingham it will save money, on condition that the Government keeps to its plans and returns services to the district councils."

But Birmingham, with an annual spend approaching £500m a year and a labour force of 50,000 is already one of the largest local authorities in the country. Would further services not just lead to a bigger empire? "Good," Mr Caulcott chortles. Indeed he has relished his first 18 months at Birmingham. He claims to be not merely enjoying life but "loving it."

One of the areas where the city has scored is in picking up government money through the Department of Environment's Urban Development Grants. Birmingham has gained support for around 10 schemes, including two of the biggest: a £23m project to develop a 45-acre site owned by [illegible] and the £35m redevelopment of the prime city centre site of Paradise Circus.

But the issue upon which Birmingham businessmen are concentrating is the proposed review of regional policy, a Government White Paper which is expected next month. The Chamber of Commerce has argued consistently and vociferously that the Government should keep firmly to its pledge of 1979 and "roll back the frontiers" of regional aid.

The Birmingham Chamber wants the Government to cease offers of aid for regional location and let the West Midlands compete on equal market terms with other parts of the country. Birmingham's leaders have argued for two decades that regional policy has bled the city dry of new and expanding industries.

Mr Neville Bosworth sums up the feelings: "When I came on to the council 33 years ago I found it difficult to understand the policy of relocation and argued accordingly. I said, and have been proved right, that it would lead only to a situation where Birmingham itself would rank alongside the assisted areas."

The CBI, representing the larger companies, has taken a more pragmatic line than the chamber, believing that it is unrealistic to expect the Government to abolish regional assistance completely. Instead, the CBI, like many of the local authorities, has tended to argue the case for assisted area status.

The CBI was the driving force behind the creation of the West Midlands Industrial Development Association now being set up to act as a focus for inward investment. Again, reflecting anxiety about the possible disadvantage of the West Midlands in any recasting of regional policy, the CBI is exploring the possibility of forming a development agency similar to those already operating in Scotland and Wales.

Mr Caulcott is adamant about where Birmingham's interests lie and is anxious to swing the Chamber and CBI behind his thinking. He believes that the granting of intermediate area status—the minimum regional assistance—could be sufficient. "It will give us access to European funds. Forget about handouts from Whitehall. It is in Europe where the real money is to be had," he argues.

CONTENTS

BIRMINGHAM—II

Borrowing for investment stays sluggish

PATTERNS of borrowing from the clearing banks by industrial companies in Birmingham are an important indicator of business trends in the West Midlands as a whole, and on that basis there is little evidence that significant economic recovery is taking place.

While there have been some companies which have managed to come through the recession with little need for additional borrowing, a high proportion remain at or near their overdraft limits, according to the clearing banks.

There appears to have been a slight fall in the number of companies under "intensive care" by banks, but it is pointed out that almost as many companies are put on the critical list each month as the number taken off it.

Since the start of the recession about two years ago, overall corporate borrowing from Birmingham banks has risen steadily, mainly through overdrafts, but is reported to have levelled off since the early part of this year. This is attributed partly to the improved profitability of companies which have reduced their costs by cutting work forces and other measures.

However, bankers believe that any reduction in borrowing will be difficult while orders and company turnover remains at a generally low level, and that any upturn in demand would in any case create additional financial pressures through the need to increase stocks and working capital.

"The recession has sent a shock-wave through the system and it will take time to recover. A lot of smaller companies are still struggling, invoices are not being settled on time and some severe problems remain," one banker said.

In the past few months there had been some signs of a reduction in corporate overdrafts, according to Lloyds, but there had been no noticeable improvement in demand for longer-term borrowing for investment purposes, which is regarded as the key to recovery in a region which produces such a high proportion of capital goods.

What investment there was had been by smaller, high technology companies, while others were adopting a highly cautious approach to investment, due to uncertainty about the strength of British economic recovery in the foreseeable future.

According to Mr Bernard Stevens, a local director of Barclays, survival is still the order of the day for a high proportion of industrial concerns, although "a small nnmber of people are saying that there are modest signs of an upturn."

He believed that one of the reasons for the better results being achieved by some companies was that they had picked up business from rival concerns which had closed down, and he believed better profitability was on the way due to rationalisation which had taken place.

Medium-term loans had not generally been used by industry as a means of getting through the difficult patch, partly because of the lower interest rates on overdrafts, and partly because the banks seldom wished to enter a three to five year loan agreement with companies in difficulties.

"A loan of this type is really a vote of confidence, and we are pleased when we can convert an overdraft into a longer-term loan," he said, adding that a rights issue would be the next step for a company which was recovering well.

He believed that further cuts in interest rates would be of great assistance to manufacturing industry, since the servicing of bank borrowing remained a considerable burden on many companies.

Waterloo Street, the hub of Birmingham's financial centre

Mr Stevens pointed out, however, that large sections of West Midlands industry, such as drop forging and press work, were still faced with severe overcapacity and could not hope to be generally profitable until this was reduced.

While there has been a decrease in the number of management buy-outs in the Birmingham area, due to the slowdown in divestment by major groups, there remains some demand for finance for acquisitions, according to National Westminster.

Buy-out proposals

The Industrial and Commercial Finance Corporation (ICFC) confirmed this view, adding that while it was still receiving a steady stream of buy-out proposals, it was having to be more selective in those it participated in because they were larger in value.

"It would appear that many major companies have now done all they want to do in reducing their size, and there are fewer willing sellers around although a number of managements are keen to arrange buy-outs," ICFC said.

The corporation had financed an increasing number of acquisitions in recent months, and believed that this activity would increase from now on as more companies realised that by forming two concerns into one and thereby reducing overheads, profitability could be improved substantially.

ICFC believes that as the upturn in the economy becomes more evident in the West Midlands, cash flow problems will lead to considerable demand for additional finance of the kind which it specialises in, particularly when bank support is no longer forthcoming for particular companies.

There was already evidence, the corporation said, that orders from larger companies—for components, for example—were being placed at increasingly short notice and thot this was creating cash flow difficulties for suppliers.

"Everyone is trying to keep stocks as low as they can, to avoid new expenditure, and smaller suppliers are having to learn to live with it. It means they will have to gear their finances accordingly," ICFC said.

Leasing as a form of finance for industrial investment has fallen considerably in Birmingham in the past two years, particularly in relation to engineering companies, according to the Birmingham office of Forward Trust.

In the past, demand has come mainly from the larger industrial groups which could derive the greatest tax benefits from leasing, but investment by these companies had been severely reduced if not halted altogether.

Forward Trust believes that leasing will regain its popularity in time, but that recovery will be closely linked to the level of industrial investment in the area.

Competition among the major companies in the local leasing market had become far more intense as o result, as was to be expected, while there was an increasing number of brokers acting for a wide range of leasing concerns, some of them foreign.

Factoring appears to have been used more widely in recent months, with International Factors' Birmingham office reporting a sharp increase in activity, attributed largely to the cash flow problems of industry and the need to find new sources of finance.

In addition, the company points out that it is increasingly being used as a means of ensuring payment of debts, since it is able to provide information on which companies can be regarded as safe to trade with, and also offer 100 per cent cover against bad debts.

On the international side, there is evidence in the West Midlands of far less overseas investment by industrial companies, according to Mr Ian Hitchen of Midland Bank's international division.

He said that reduced profits had produced gearing problems for many companies, depriving them of the capital required for such investment and they were also stretched in terms of the management resources required for overseas purchases.

Mr Hitchen also believed that companies were becoming far more selective in acquisitions abroad, making sure that they fitted in with existing activities.

On exports, a major preoccupation was the strength of sterling against the Deutschemark, since West Germany was a major competitor abroad. Companies were also becoming more aware of the need for increased training for export salesmen.

He odded that Midland International had recently produced two booklets covering letters of credit and the way they are used.

Lorne Barling

SUCCESS STORY: WELLMAN FURNACES

When exports proved crucial

FEW COMPANIES would suggest that the recession has done them any good, but Wellman Furnaces of Smethwick points out that it has had some remarkably beneficial side effects which have contributed to its relative success over the past two years.

For example, it recently won a repeat order for furnace equipment supplied in 1980 and due to the competitiveness of the market agreed to do the job at the previous price. Delivery of the furnaces on the second order was achieved within three months, compared with eight months on the first, and profit margin was increased.

This achievement has been gratifying for a company in one of the most depressed sectors of manufacturing industry, due to lack of investment by metal processors ranging from British Steel to small foundries throughout the country.

Another benefit from falling UK demand has been a major export initiative by Wellman, which has been rewarded by a Queen's Award for Exports, although the company admits that this was partly a desperation measure to maintain production volume during o very difficult period.

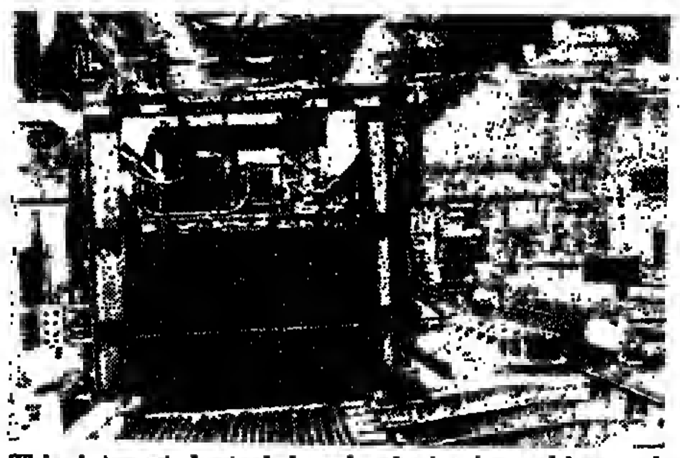
Wellman Furnaces, part of the Wellman group, produces a very wide range of industrial furnaces and ovens under the well-known names of Incandescent, Chal, Birlec and British Furnaces, the latter too having been acquired through recent takeovers of companies during the recession.

Change of direction

At the start of the recession, when UK demand fell rapidly, there were fears that serious losses might have to be faced, since around 75 per cent of production was for the home market, but a rapid change of direction has meant that 60 per cent of output is now sold abroad, in more than 40 countries.

Mr Mike Bullen, executive director for the company's furnace and foundary plant divisions, said that the company had done the groundwork for export expansion in the late 1970s, by strengthening representation abroad.

This had proved valuable, since UK demand was depressed even further by sales of second-hand equipment from companies which had contracted or shut down. Cuts at Wellman were also made, with a 20 per cent reduction in the workforce while the newly acquired companies were integrated.



This integrated steel bar hardening/quenching and tempering facility was provided by Wellmans

Their addition to Wellman had considerable advantages, according to Mr Bullen, since their products broadened the company's already extensive range of products.

They are used throughout the metallurgical processing industry, from reheat furnaces to primary steelworks, through secondary treatment to specialised furnaces for the treatment of components. In addition, there are non-ferrous opplications, such as furnaces for primary melting, holding, reheating and final heat treatment.

Furnaces for the motor and aerospace industries include advanced sealed quench furnaces, and continuous carburising furnaces among many others.

Birlec equipment covers electric induction melting and holding furnaces for iron, steel and non-ferrous metals, while the controlled heat and air division provides a range of industrial drying ovens, and services on many energy related projects are also offered.

One of Wellman's most important export orders recently, valued at about £4.5m, was for tunnel ovens for the Soviet Union, to be used for providing coatings for food tins. The company is also fulfilling a contract of similar value in Iraq.

With an annual turnover of around £15m, the company has a very large product range, but this is not regarded as a drawback, since it enables it to win "opportunistic" contracts. Much of the work is in any case for "tailor-made" furnaces based on existing designs.

A major factor now affecting products is new technology in industry, such as the increased use of ceramic fibre materials, while the advent of the micro-chip has created the need for specialised ovens. In general, this is seen as an advantage to a company with such flexibility.

Major factors affecting furnace design are the need to conserve energy, which has been achieved partly through the application of flexible insulation, and the wider use of computer controls. The combination of these have allowed far more precise use of furnaces.

Although Wellman furnaces has seen a steady decline of UK demand since the 1950s, due to contraction in metal industries, developing countries are a potentially large market for its products. Wellman has also moved upmarket to supply furnaces and heat-treatment equipment for more advanced uses, such as in the aerospace industry.

"We are in a market where demand dictates product development," Mr Bullen said, adding that it was company policy to make furnaces to the customer's requirements when asked to do so.

One of the most promising overseas markets now being investigated is China, where the company has already sold some of its equipment in conjunction with Rolls-Royce Spey engine production there. Although this is likely to be long-term business, the potential is regarded as very great.

Contracts have also been won recently in Singapore, the West Indies, Czechoslovakia and Egypt, and since the start of the year there has been some improvement in the UK market. Should this continue, the company is well placed to improve profitability with such promising prospects abroad.

L. B.

BIRMINGHAM—III

A campaign will promote the city's many attractions

New life for chip shop image

That smiling photograpb of George Melly, tho man who said such rude things about Birmingham in the past, has certainly attraeted attention to the city's advertising campaign to improve its image. City officials bridle at suggestions that Mr Melly was "hired" to extol the virtues of Birmingham's entertainment facilities: "He received no payment only a nominal £300 out-of-pocket expenses."

The other two "personalities" featured in the campaign—Mr Harold Musgrove, chairman of Austin Rover and Mr Bruce Tanner, chairman of Horizon—did not even claim expenses.

Mr Tony Arrowsmith, tho edvertising agency man bandling Birmingham City's £500,000 publicity spend is quite philsophic about the Melly rumpus. But be only manages e weak smile when reminded of the old adage that "all pnblicity is good publicity."

One has to concede, however, that be had something of e problem when initial research for tho promotion threw up only two names that the targot market—"well-informed businessmon"—associeted with the city: Janice ("Oi'l givo it fovo" of pop jury fame) and Marlene (the lady with tho big earings and thick Brummy accent played by actress Beryl Reid).

Such characters hardly fit tho principal aim of tho planned Press promotion to attract new business to the city.

Birmingham, anxious about the view outsiders might have of Britain's second city, decided to venture for the first timo on such a grand scale into the world of advertising.

Philippe Taylor, director of the Coovention and Visitor Bureau, the body set up by tho council just over 12 months ago to make a serious bid for a bigger share of the growing conference trado, began the search for an advertising agency.

Of the five shortlisted Birmingham-based agencies to "pitch" for the business, Charles Barker, Black & Gross — one of the largest and fastest growth companies with annual billing of around £8.5m — was selected.

Mr Arrowsmith, the chief executive, e tall man with the earnest air of an academic that contrasts somewhat with the fairly garish decor of the agency, explains the philosophy of tho campaign.

The main thrust is aimed at persuading businessmen that Birmingham is a good location for holding a conference. "But there is another strand. We are also saying Birmingham is an OK place to locate your business."

Well-defined

Mr Arrowsmith says tho target audience is very large but nevertheless well-defined. The money is being concentrated on the quality Press and specialist journals. There are full-page colour advertisments, soch as the one featuring George Molly, but they will be supplemented by a wholo range of small punchy black-and-white placings. "Rather than spread the message thinly we want to keep up tho momentum."

While tho advertising budget is big by Birmingham's standards, it is still dwarfed by the spend of bodies such as the new towns. Milton Keynes, for example, spent £1.25m last year. Telford, nearby, committed £750,000 to advertising.


Tony Arrowsmith who is handling the £500,000 publicity spend

Mr Arrowsmith says: "However, unlike the new towns which are essentially promoting e greenfield image, most businessmen have been to Birmingham and probably have a fixed view of what it is like."

Research showed, however, that while Birmingham might be seen as a fairly unsophisticated manufacturing centre there was no specific prejudice against it. Opinions were sounded out among members of the Association of British Travel Agents, trade bodies, and companies across e wide spread of activities.

Mr Arrowsmith expresses no surprise et the findings that there is no antipathy towards the city. "It confirms my professional view. After all, we are dealing with well-informed businessmen who usually have first-hand experience of Birmingham."

The problem, he says, is that such businessmen may nevor have thought of Birmingham as a conference location. "Places like Harrogate, Blackpool and Brighton might jump to mind. What we have to do is attract the attention of those peoplo, point out the conference facilities available here, and allow them to follow the logic of the case."

Accordingly, the advertising campaign which will be concentrated over the winter months will focus upon the facilities in and around Birmingham and its location astride the motorway network. "All the factors that gave Birmingham the advantage in becoming the centre for Britain's first industrial revolution still remain valid, Mr Arrowsmith argues.

Strengths

The up-to-date market strengths of Birmingham will also be stressed in edvertisements with slogans such as "Hold Conventions in the chip shop"—a reference to tho heavy involvement of Birmingham and Aston Universities in microchip technology.

Tho success of Birmingham's first major attempt to improve its imago is being carefully monitored, both through opinion surveys and through the hard cash of any increase in conference business. But Mr Arrowsmith cautions that Birmingham's publicity drive cannot be treated as a one-off project: "Everyone is aware [illegible] do not change overnight."

Arthur Smith

Advertising copes with recession

BIRMINGHAM IS SERVED by about four large advertising agencies, whicb generally have a broad range of accounts, and a large number of smaller agencies whicb rely more beavily oo industrial companies and have consequently suffered more severely.

In previous recessions advertising has been a prime area for expeoditure cuts by manufacturing companies, and it has not escaped the axe this time, but some agencies are surprised that budgets have not been more severely reduced.

It is believed that companies which cut their marketing budgets beavily during tho 1972-1974 recession realised that they were not only losing business in proportioo with falling demand, but were also losing market share.

For this reason, expenditure reductions over tho past two years have been more modest in some cases, and tho emphasis has been on spending available funds in the most effectivo way, perhaps by diverting money to public relations departments or to direct selling.

According to Mr Tony Arrowsmith of Charles Barkor Black and Gross who is handling a £500,000 promotion campaign for the city, cuts have been most severe by industrial companies, while spending on consumer edvertising has remained relatively buoyant. "Management is certainly becoming more sophisticated when it comes to advertising," he added, "because they are seeking advice and finding out how best to apply their advortising budgets."

Whilo trade and specialist publications had certainly suffered from e fall in advertising revenue, local media such as newspapers and radio appeared to have been saved from a severe downturn because of consumer-related spending.

Mr Arrowsmith said that recruitment edvertising had fallen very sharply over the past two years, but significantly, there were now signs that it was improving.

Another of the large agencies, Harrison Cowley, said that its accounts related mainly to consumer products and for that reason it had not felt the effects of recession in the region particularly severely, and was forecasting a modest increase in profits and turnover.

Tho company pointed out that there was now a tremendous amount of activity to promote recovery in the West Midlands economy and encourage investment in new technology, which was beneficial to advertising agencies both directly and indirectly.

Mr Bill Husselby of Cogent Elliott's Birmingham office said he believed the recession had led to significant changes in the management of industrial companies, which had resulted in e more sophisticated approach to advertising.

"There are e lot of new managers who are more marketing orieotated but the problem is tho shortago of funds—the spirit is willing but the cash is weak," he said, adding that the previous emphasis on production and sales had given way to a more entrepreneurial approaeh.

Many companies saw the benefits of increasing their marketing activities overseas, but few had the resources to do so. However, Mr Husselby believed that the fundamental change in management thinking would lead to far more effective edvertising by industrial companies wben they had the money to devote to it.

Lorne Barling

PROFILE: ROB HUGHES

Birmingham's Mr. Fixit


Rob Hughes: getting the show on the road

Rob Hughes, a former pop singer "Bobby Valentine," and now a pin-striped 40 year old—is in no doubt about his role with Birmingham City Council. "I am Mr Fixit. I have to get the show on the road and make sure wo are all pointing in the right direction."

His official title is chief Development and Promotion Officer, a newly-created position reporting direct to the chief executive, Mr Tom Caulcott, for wbom he was previously e personal assistant.

He has a staff of 16, a budget of £2m and responsibility: "We havo to win our spurs this year. We have to show that the £1.5m wo have for promotion is well spent. But at the end of the day it is how many new jobs we bring in."

By local government standards Mr Hughes has a plush office in Birmingham's magnificent nineteenth century Council House. But there is a spirit of improvisation as the desks are moved around and the new members of the unit brought together. The aim is to co-ordinate the city's various economic initiatives. "Speed of response is tho key. We need to be flexible and talk with businessmen on their own terms," Mr Hughes maintains.

He has the ear not only of the chief executive but also of the leader of the council. His unit can call upon the resources of all departments, especially planning.

In particular it embraces the Business and Employment Bureau from the city treasurer's department—the section that offers loans, grants and help with finance. The experts on commercial property are drawn from the estates department, identifying suitable premises and prospects.

Mr Hughes also has control of the Press and public relations department and the £500,000 poblicity campaign aimed at changing the image of the city and attracting new conference bookings for the recently-created Convention and Visitor Bureau.

He reports to a special subcommittee on which sit the five top councillors drawn from the powerful general purposes and economic development committees.

Mr Hughes, a Birmingham boy, spurned further education to do a series of jobs. He laughs: "I was a singer with a pop group—Bobby Valentine was the stage name." At the age of 20 he left for Canada but returned in the early 1970s to take a job in the chief executive's office at Birmingham City Council.

Promoted

He was promoted after a period with the West Midlands County Council to become principal assistant to the city's chief executive and the leader of the council—the springboard to his present job.

"I am a manager," he insists. "I have got lots of experts that I can draw upon." His qualifications—Fellow of the Institute of Chartered Secretaries and Administrators and a masters degree in social sciences from Birmingham University—were gained by studying in his own time.

The degree, he says, was awarded four years ago for a thesis which, though it had a grand-sounding title, dealt with the "warfare that often exists between county and district local authorities."

Thus, suitably well-versed in the politics of administratiou, he is in a strong position to co-ordinate Birmingham's promotion activities.

He speaks like a man with pride in his own oitv and is confident the £500,000 advertising campaign will bring success in changing attitudes: "Birmingham may not have the glamour of San Francisco or Rome, but it can compete with many of the major cities of Europe."

A. S.

BIRMINGHAM—IV

Campaign to improve transport links

ROAD, RAIL and air communications have recently become an important issue in Birmingham since their improvement is seen as an integral part of the industrial recovery initiatives being mounted by a number of organisations.

Perhaps the most forceful voice on the need for better communications is the Confederation of British Industry, whose regional council has called for a "multi-million pound programme to be introduced over a 10-year period to aid the revival of the West Midlands economy."

In addition to the transport benefits, this would in itself provide a boost for the local economy by creating work for the construction, engineering and service industries in the region.

The regional CBI proposals bave been backed by the council after a report prepared by a special working party set up to examine the region's communications problems, and a number of key projects have been identified in this way.

These include the extension of the motorway and trunk road network, particularly the M42 around the southern perimeter of Birmingham, the M40 link to Oxford, and the A1-M1 link past Kettering which would improve access to the docks at Felixstowe and Harwich.

It is also suggested that improvements should be made to the principal roads within the West Midlands Metropolitan area, particularly the Birmingham middle ring road and roads which cross the Black Country. An early go-ahead for the Black Country link road under a private funding scheme is also expected.

On rail investment, the CBI proposes that money should be spent on accelerating electrification and replacing rolling stock on commuter lines, while intercity services should also be improved.

The regional director of the CBI, Dr Kevin Hawkings, said recently: "If we are going to attract new industry into this region and create a climate in which existing industry can expand, we need a much better network of communication.

"Over the last few years this region has not received anything like its fair share of national spending on transport. We will be arguing with the Government as vigorously as we can on this matter."

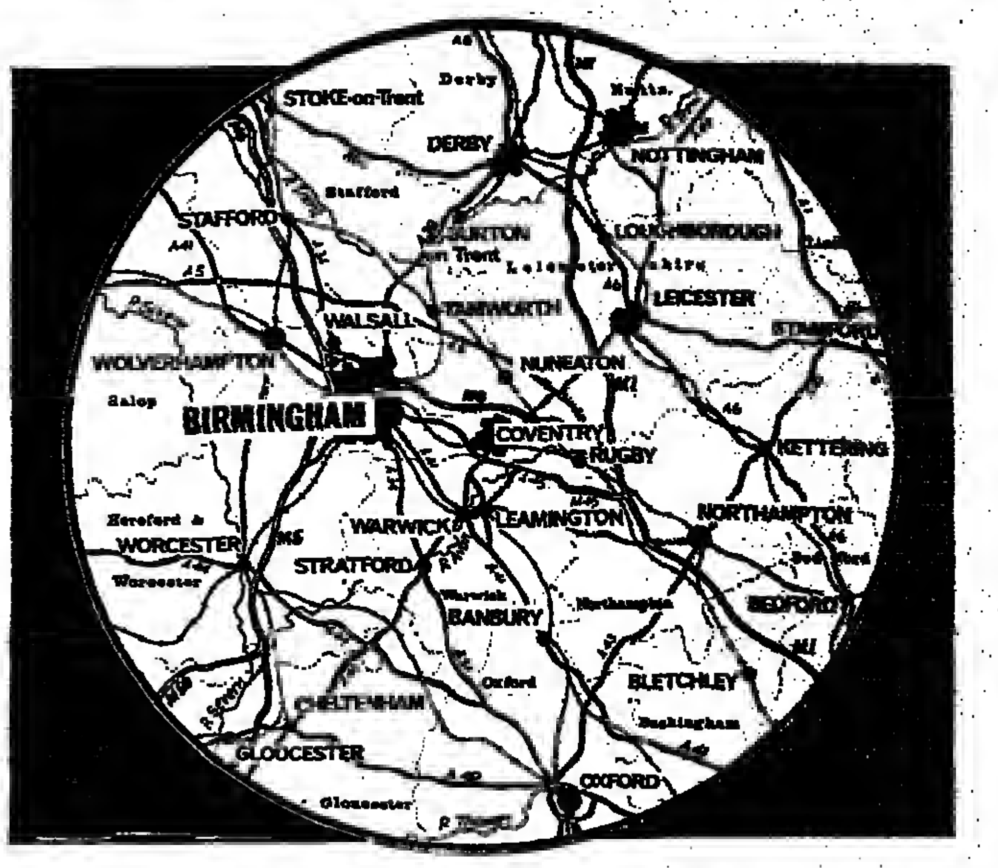
He added that the CBI nationally was in favour of an increase in capital spending on much needed projects and members in the West Midlands felt that the region's case for road and rail improvements came into this category.

A similar initiative has come from the West Midlands group of chambers of commerce, particularly in relation to the completion of the M40, which will provide a second motorway to London and form part of a new route to the south coast, providing better access to ports.

The group said that nearly 100 companies in the West Midlands had provided impressive evidence of specific benefits that the motorway would bring to their businesses, notably a substantial reduction in transport costs.

"A fast, safe and economical journey will replace the slow and costly journeys at present being made on inadequate roads through villages and towns such as Stratford and Banbury. It will also relieve the M1 of much of the traffic causing unpleasant driving conditions and delays during repair work," the groups said.

Construction work on Birmingham International Airport's new terminal is almost complete — ahead of schedule.



Perhaps the most important communications improvement in Birmingham in recent years relates to the airport, which is now being improved at a cost of around £50m, with work due for completion by next spring. This is expected to have the added benefit of creating an additional 2,000 jobs by the end of the decade.

The improved airport is designed to be able to handle nearly 3m passengers and 33,000 aircraft movements a year by 1990 and this is expected to assist greatly in the regeneration of the local economy, while creating new development in the region of the airport and the National Exhibition Centre nearby.

In addition, a Birmingham company has made an application for the Government to designate an area near the airport as one of Britain's new freeports, in which goods can be stored and handled free of VAT and Customs duties.

The new terminal building will be a conventional three-storey structure with a steel frame clad in a grey tinted glass window walling system. A conventional layout for the terminal was adopted after some more revolutionary ideas had been examined by the county architects, such as mobile lounges, satellite terminals and systems to separate incoming and outgoing passenger flows.

New aprons for aircraft, capable of accommodating 20 medium to large passenger jets, will be linked directly to each end of the main runway to a free-flow taxiway system. Improved airport guidance lighting and additions to the instrument landing system will improve aircraft safety in poor weather conditions.

Impressive scale

The scale of the airport improvement project is impressive, and it is one of the largest civil engineering contracts undertaken in the Midlands for many years. About 2m tonnes of earth has had to be moved to provide embankments for taxiways, and to erect two earth noise barriers. One of these is a mile long and 40 ft high.

However, the greatest pride is taken in the revolutionary Maglev system which provides an overhead transport link between the airport, Birmingham International railway station and the National Exhibition Centre.

The system, one of the first of its kind, operates through the use of controlled magnetic fields, suspending the cars in mid-air. Each car carries 32 passengers and their luggage, and the 600 metre journey will take about a minute and a half.

There are hopes that the scheme, financed jointly by the County Council, British Rail and the private sector, will result in the sale of Maglev systems to other countries, and it would be difficult to find a more prominent place to display its capabilities.

Arthur Smith

Ambitious convention centre plan

MR NEVILLE BOSWORTH, leader of Birmingham City Council, is not modest about the authority's £120m proposals to establish an international convention centre: "It will be by far the best in the UK and will rank with the best in Europe," he says.

The centre with a target opening date of 1989 would attract to the region an estimated 250,000 visitors and nearly £40m of new income. The venture, creating some 2,000 new jobs, could play an important part in the strategy to diversify Birmingham's economy.

The scheme is on the grand scale—more than £90m of the capital cost would fall on the public sector—and could push up rates by between 1.5p and 7p pound, depending upon the level of grant aid gained from the Government.

Mr David Franks, who headed the six months feasibility study by a team of council officers, says the conference industry overall has shown a steady growth of 2.5 per cent a year in spite of world recession. The market can be divided into three main segments: international, national association conferences and company meetings.

Strong case

The city's feasibility report, analysing the competition, suggests all the centres have a deficiency in one or more of the qualities the conference trade is looking for. Nor are the limitations of Birmingham ignored. The report finds that while the conference business is already important and there is a wide range of facilities, the case is strong for a purpose-built centre.

The proposed scale of the Birmingham venture is based upon visits to convention centres in Europe, the U.S. and Canada, supplemented by a theoretical study. A diary of events likely to be attracted to Birmingham was drawn up and an analysis made of the projected spending patterns of delegates, organisers and exhibitors.

Mr Franks points out that although there has been irregular growth in the international market over the past 10 years, the UK has gradually increased its share from an average 9 per cent to 11 per cent over the past three years.

While conferences of national associations in the UK are put at about 8,000 a year, it is difficult to quantify the number of company meetings, simply because they are small-scale and usually confined to hotels. The estimate, however, is 40,000.

Mr Franks cautions against placing too much emphasis on the idea that a purpose-built centre will necessarily attract conventions from the U.S. He says, however, that there is a growing trend for American Study Group meetings of around 200 people to travel to Europe. This could provide "excellent income" for Birmingham.

Birmingham identifies the main competition for convention business as: Bournemouth, Blackpool, Brighton, Cardiff, Harrogate, Nottingham and the Barbican and Wembley conference centres in London.

Birmingham's successful National Exhibition Centre: the proposed conference centre will complement it.

The recommended convention centre planned for a site in the Broad Street area, close to the city centre, would have a complex of 11 halls. Flexibility is central to the concept so that anything from a small wedding reception to an international gathering could be handled.

A theatre-style auditorium, with seating for 2,800, would be designed primarily for conference use. It would be complemented by as similar 2,100-seat building designed for various types of musical performance. Large international conferences could sponsor a concert in the hall for delegates, it is suggested.

A third hall, divisible into smaller sections, could seat 5,000 delegates as well as taking the majority of the regional exhibitions. High technology, including a satellite transmission and receiving station, would be available throughout the complex.

Mr Franks argues that many of the existing UK centres suffer from a lack of first-class hotels nearby. Accordingly a £40m five-star hotel—funded by £10m from the local autority and £30m from the private sector—is planned to open at the same time as the centre.

The new trade generated by the convention centre would bring additional business for existing hotels and create demand for a second new hotel by 1991-92.

Entertainment

The feasibility report argues that in addition to the normal convention facilities attractive entertainment and leisure must also be offered: "something different and unique to Birmingham is required."

The recommendation is a scaled-down "theme park" based upon Birmingham's heritage and would reflect achievements in science and technology (the introduction of steam power); traditional crafts such as jewellery and gun-making; and manufacturing industry (the motor cycle and the car).

Such themes, the report says, could be combined in an historic setting using original buildings if practical. "Birmingham Park," unique in the UK, would provide a major new regional attraction, it is argued.

The city planners say that, while it is not yet possible to define in precise terms the programming and implementation of the theme park the land necessary has been included in the area designated for the convention centre.

The capital cost to the local authority of the proposed complex is estimated at £91.2m at present day prices. The centre itself would have an estimated operating deficit of £2.5m a year.

Crucial to the effect such a deficit on the city's rates would have, would be the amount of financial support towards debt charges that it was possible to obtain from the Government.

"At the very worst, if no central government aid was received, the rates would increase by 7p in the pound. If grant aid is obtained, rates would increase by as little as 1.5p," the report concludes.

Against that, the completed convention centre is expected to generate additional income of £38.6m a year at current prices. Construction of the centre over a five-year period would provide an extra 340 jobs. Most of the 2,000 permanent jobs created by the new centre would go to Birmingham people.

Mr Bernard Zissman, chairman of the committee that initiated the study, stresses the importance of such a project to the local economy.

The benefits would include the attraction of new private sector investment, an increase in tourism, improvement in retail and entertainment facilities and demand for additional office accommodation.

The effect on the property market would be significant as Broad Street, upon which the development would focus, is the principal link from the city centre to the important complex of offices at Five Ways Edgbaston.

The convention centre is seen as a complement to the National Exhibition Centre, a £50m project backed by the City Council which will be in profit this year and next.

Mr Zissman says that the proposed new venture could be "another first" for Birmingham. "The size of the centre and the benefits from additional foreign visitors to the UK make the project one of national significance," he maintains.

A. S.

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday October 21 1983

Nippon Credit Bank taps market for $100m, Page 44

WALL STREET

Measure of confidence returns

A SLIGHTLY more confident mood emerged on Wall Street yesterday when stock prices steadied from early falls with the help of the bond market which rallied after a weak start, *writes Terry Byland in New York.*

Credit markets looked uncertain at first when the Commerce Department confirmed that GNP had risen by 7.9 per cent in the third quarter, which was higher than the bond market liked.

But prices turned up towards overnight levels after bond futures picked up, reflecting hopes that today will bring a disclosure of another substantial fall in M 1 money supply.

The Dow Jones Industrial average moved up by 7 points at one time, but the gain was reduced as support for major stocks faltered toward the end of the session. At the close the index was a net 4.77 up at 1251.52 on moderate turnover of 86.3m shares. Stocks showing gains totalled 864 compared with 694 suffering losses.

Good results from Dow Chemical, Union Carbide, Minnesota Mining, Inland Steel, Bristol-Myers and R. J. Reynolds were well received in their respective share sectors. But over the full range of the market, investors remained cautious in the wake of this week's shakeout in high technology stocks.

AT&T had another busy session as the market assessed the $5.2bn divestiture write-off. At $62¼, AT&T was $¾ below final quotations during inter-office dealings on Wednesday after the close of the New York Stock Exchange.

Nervousness in high-technology stocks was confined to those whose trading news has upset the market this week. Digital Equipment fell a further $5½ to $67 on fears of more bad news to come, and Storage Technology slid $⅛ to $16⅞.

IBM, shaded $¾ to $129¾ but NCR held steady at $126 and Honeywell at $128, put on $1¼. In the over the counter market, Amdahl shaded by $¼ to $18 despite a massive upswing in earnings. Genentech, the medical industry high flyer, added $2 to $30 on the results.

The Dow Jones Transportation average jumped by nearly six points with airlines strong behind good results from USAir and railways led forward again by Burlington Northern, $1 up at $105¾ and Santa Fe $½ up at $30½ after profit news.

Union Carbide jumped $1⅜ to $65¾ in response to sharply higher earnings for the third quarter but Dow Chemical lost an initial rise on the results and slipped $⅞ to $35⅞. Monsanto at $113¾ jumped $2¼ following full details on third-quarter performance.

Amax, the metals and mining group, dipped $¼ to $24⅞ after the latest news on losses and Alcan, the Canadian aluminium producer shed $¼ to $36⅞ despite a turnround into profit. Kaiser Aluminium at $20¼ added $¼ on a forecast of profits ahead. Inland Steel, first of the steelmakers to report progress, was unchanged at $31⅛.

Minnesota Mining added $¼ to $85¼ on a modest profits upturn. Other industrials to benefit from results were Signal, Brunswick, American Brands, Maytag, C. R. Bard and Zenith Radio.

On the consumer side R. J. Reynolds jumped $1⅛ to $62⅞ on news of a dividend increase and fellow cigarette manufacturer, Philip Morris at $70¼ added $¾.

Credit markets were confused by reports, later confirmed by the Federal Reserve, that the GNP figures had been accidentally leaked into the market. After rallying from a poor start, helped by a new round of system repurchases by the Fed, when the Fed Funds rate was at 9⅛ per cent, the key long bond traded at 104⅛₂, a touch above overnight, to yield 11.51 per cent.

Treasury Bills added a couple of basis points, putting the three-month bill at a discount of 8.52 per cent and the six-month at 8.71 per cent.

LONDON

Equities act on optimistic pointers

FAVOURABLE ECONOMIC pointers and a revival of institutional activity found London equity markets highly responsive yesterday. Leading shares surged higher from the start to enjoy the brightest session for four months. The FT Industrial Ordinary share index closed a shade below the best but still 12.6 up, its largest rise since June 20, at 691.

Gilt-edged securities gave another solid performance. Sentiment was underpinned by revived hopes that short-term U.S. interest rates would soon decline.

In relatively thin trading, gains at the longer end stretched to ¾ at one stage before they were clipped later to ⅝. Short-dated stocks ended with rises to ⅜, with low-coupon issues attracting renewed interest. *Details, Page 37; Share Information Service, Pages 38–39.*

SINGAPORE

A FIRMER trend emerged in Singapore as bargain hunters moved into a market where prices have been depressed for most of the past fortnight, ahead of today's Malaysian budget. The Straits Times index ended 10.05 ahead at 962.58.

Promet was the most actively traded stock and it closed 12 cents higher at S$4.22.

Plantations also continued their recent gains with Consolidated Plantations 2 cents ahead at S$3.22 and most other shares in the sector also adding a cent or two.

HONG KONG

A LATE round of mild selling pressure wiped out earlier gains in Hong Kong, leaving the Hang Seng index to close 4.23 points lower at 790.11. Many operators remained out of the market, awaiting the outcome of the Sino-British talks in Peking over the colony's political future after 1997.

Among properties, Cheung Kong lost 5 cents to HK$6.35 and Hongkong Land 2 cents to HK$2.30, while Sun Hung Kai Properties held steady at HK$4.52.

Elsewhere, Hutchison Whampoa lost 20 cents to HK$11.20, while Jardine Matheson added 5 cents to HK$9.15.

AUSTRALIA

DEMAND FROM Asian buyers lifted Sydney from a weak opening and the market closed firmer with the All Ordinaries index 4.3 ahead at 684.0.

Brokers considered the rally to be of some significance in that sellers had withdrawn at the 680 point support level, despite further declines in world bullion prices.

BHP rose 10 cents to close at A$12.05, EZ Industries 4 cents to A$5.34 and Peko 4 cents to A$6.64. CSR and North Broken Hill each added 7 cents to A$3.80 and A$3.05 respectively.

SOUTH AFRICA

ATTENTION focused again on gold shares in Johannesburg yesterday as the bullion price recovered briefly.

Buffels gained R1 to R52.5, Driefontein was 30 cents higher at R33.3 while Anglo American Gold was unchanged at R127. Most other gold issues showed losses however.

Elsewhere mining financials, platinums and diamond stocks eased in sympathy, while industrials succumbed to the downward drift.

CANADA

MOST SECTORS fell back in early Toronto trading yesterday with oil and gas issues incurring most of the losses. Metal and mining stocks and golds proved to be more resilient.

Utilities were the only weak spot in an otherwise firm Montreal market with industrials remaining in the spotlight. Papers and banks edged slightly ahead.

TOKYO

Impetus of rally remains

SMALL-LOT buying by foreigners combined with the continued impetus of the strong, late rally of the previous session to push up blue chip stocks in Tokyo yesterday, while bond prices moved in a wide range, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow Jones market average rose 38.75 to close at 9,319.55, regaining the 9,300 level. But volume dwindled to 299.42m shares from Wednesday's 344.91m.

Investors were encouraged by reports that the government would adopt a package of pump-priming measures on Friday, including a 0.5 per cent cut in the official discount rate, which currently stands at 5.5 per cent.

Blue chips, which previously had sharply lost ground on selling by foreigners, found renewed demand in the morning. Fuji Photo Film climbed Y70 to Y2,030, Fujitsu Y70 to Y1,280, NEC Y40 to Y1,260, Matsushita Electric Industrial Y30 to Y1,630, Canon Y30 to Y1,270 and Pioneer Electronic Y50 to Y2,750. Conversely, Sony slumped Y40 to Y3,530 and TDK Y40 to Y4,610.

Kumagai Gumi firmed Y10 to Y495 and Nihon Cement Y3 to Y208 on expectations of an increase in public works projects. But pacesetting Mitsui Construction lost Y15 to Y252 and Tokyu Construction Y23 to Y592.

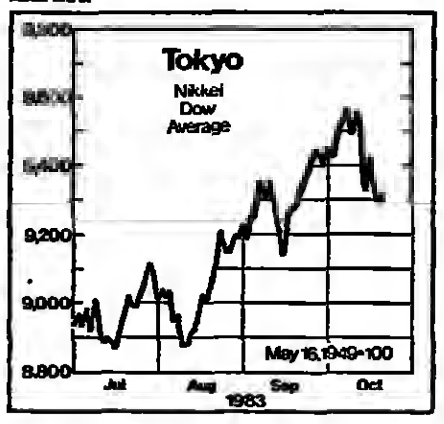
Among populars were food companies which had branched out into the pharmaceutical business, with Yomeishu Shuzo scoring a maximum allowable gain of Y80 to Y536. Godo Shusei gained Y27 to Y484 and Toyojozo Y25 to Y815.

Nissan Motor advanced Y4 to Y704 on reports that its chairman has dropped reservations about proposals to build a car plant in Britain. Other autos and auto parts also gained ground, with Toyota Motor rising Y10 to Y1,250, Honda Motor Y12 to Y967 and Nippon Oil Seal Y27 to Y462.

Reflecting the uncertain outlook for the bond market after a cut in short and long-term interest rates, major city and long-term credit banks sold bonds with longer terms remaining to maturity.

Leading institutional investors sold 7.5 per cent government bonds, maturing in January 1993, and bought medium-term government bonds and interest-bearing bank debentures with shorter terms remaining to maturity. Some major securities houses echoed such a move and sold the 7.5 per cent government bonds.

The yield on the 7.5 per cent government bonds, discouraged by a plunge in overseas bond prices as well, moved up to 7.76 per cent from the previous day's 7.73 per cent and then fell to 7.72 per cent. Investors apparently remained uncertain about the future direction of the market.



EUROPE

Frankfurt pauses for profit-taking

A PAUSE for profit-taking left shares narrowly mixed in Frankfurt following the peaks achieved during the previous two sessions. However, dealers believe the tone remains firm and that further advances can be expected.

The Commerzbank index slipped 2.9 to 989.3 while the FAZ index ended down 0.5 at 334.19.

Prices slipped from a firmer pre-bourse session on reports of a large single selling order for VW, but later foreign demand allowed the market to close little changed on the day.

Among the motor issues, VW fell DM 4 to DM 223.50 and BMW shed DM 2 to DM 396. Daimler rose DM 2 to DM 646 but Conti-Gummi dipped DM 1.30 to DM 113.60 on profit-taking following its recent strong demand and large turnover.

In the insurance sector, Allianz was the day's strongest performer, adding DM 13.90 to DM 710 in the wake of its bid for Eagle Star.

Banks continued firm with Deutsche up DM 1.90 at DM 315 and Dresdner 50 pfg ahead at DM 180. But Commerzbank eased 30pfg to DM 178.7 on profit-taking.

Domestic bonds rose strongly in lively trading with some public authority issues scoring gains of up to 0.40 points. The Bundesbank's decision to leave its leading interest rates unchanged had no impact on trading though there are still hopes of a cut later in the year.

Volume as well as price movements were small in Amsterdam where prices closed mixed.

However, selling bit Océ-van der Grinten, the reprographics group, following results and an announcement that it is to issue a Fl 100m convertible subordinated bond. Océ lost Fl 5 to Fl 211.50 – the largest price movement of the session.

Renewed uncertainty over the direction of U.S. interest rates resulted in featureless trading in Zurich and shares ended mixed. Banking, insurance and industrial shares generally improved while holding company shares eased.

Profit-taking as operators settled monthly accounts left Paris lower in quiet trading.

In lower foods, Bongrain fell FFr 10 to FFr 1,565 while BSN declined FFr 40 to FFr 2,310.

Creusot-Loire added FFr 2.60 to FFr 49 in the wake of joint venture talks with Rolls-Royce.

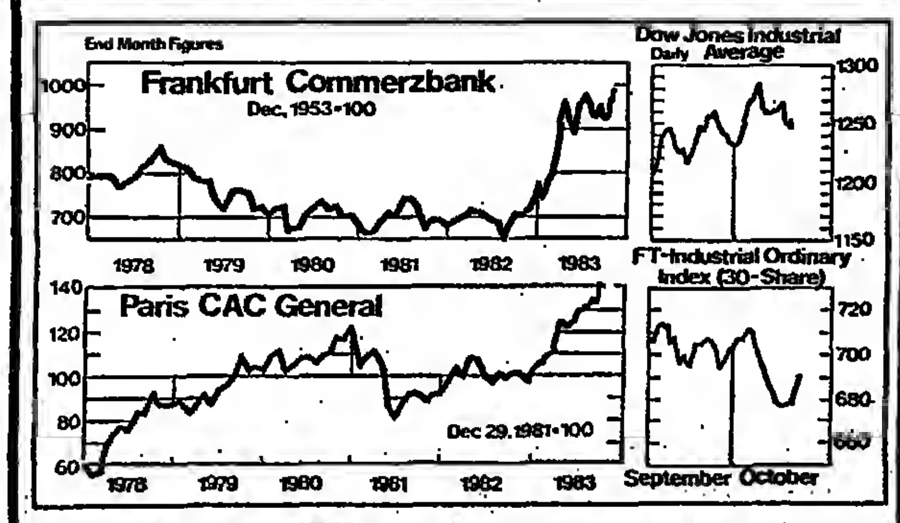
Prices were lower in Brussels, in line with the lower overnight Wall Street performance.

Petrofina fell back BFr 30 to BFr 5,500. Elsewhere holding companies were mixed and industrials unchanged to lower.

After a week of light but steady gains, Madrid finished lower in quiet trading. The declines were paced by steels and chemicals while commercial banks and electricals held firm.

Against the general trend, prices firmed in Milan on short-covering and modest fresh buying. Generali led insurances higher, gaining L1,160 to L34,960 while Fiat advanced L79 to L2,679.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Oct 20	Previous	Year ago
DJ Industrials	1251.52	1246.75	1034.12
DJ Transport	591.36	583.89	421.46
DJ Utilities	138.34	136.99	122.0
S&P Composite	166.98	166.73	139.68
LONDON			
FT Ind Ord	691.0	678.4	622.9
FT-A All-share	432.03	426.58	385.22
FT-A 500	467.47	462.37	425.79
FT-A Ind	421.32	416.00	393.63
FT Gold mines	510.0	521.0	422.3
FT Govt secs	81.38	81.18	84.04
TOKYO			
Nikkei-Dow	9319.55	9280.8	7378.04
Tokyo SE	679.00	676.88	551.87
AUSTRALIA			
All Ord.	684.0	679.8	525.1
Metals & Mins.	510.8	506.1	429.7
AUSTRIA			
Credit Aktien	54.5	54.63	47.41
BELGIUM			
Belgian SE	125.15	126.07	100.10
CANADA			
Toronto Composite	2444.2	2435.2	1782.2
Montreal Industrials	433.97	432.6	322.96
Combined	415.55	413.91	306.83
DENMARK			
Copenhagen SE	193.17	191.33	92.73
FRANCE			
CAC Gen	138.7	140.0	100.2
Ind. Tendance	147.9	148.7	117.8
WEST GERMANY			
FAZ-Aktien	334.19	334.69	233.81
Commerzbank	989.3	992.2	709.2
HONG KONG			
Hang Seng	790.11	793.34	873.7
ITALY			
Banca Comm.	185.18	182.13	167.13
NETHERLANDS			
ANP-CBS Gen	140.9	141.1	94.7
ANP-CBS Ind	115.1	115.5	73.0
NORWAY			
Oslo SE	210.25	209.94	107.07
SINGAPORE			
Straits Times	962.58	952.53	705.07
SOUTH AFRICA			
Golds	726.4	735.7	768.3
Industrials	905.7	911.9	699.3
SPAIN			
Madrid SE	121.69	121.96	100.31
SWEDEN			
J & P	1420.33	1411.26	753.99
SWITZERLAND			
Swiss Bank Ind	342.3	342.6	271.7
WORLD	Oct 19	Prev	Yr ago
Capital Int'l	179.7	180.9	146.8

GOLD (per ounce)

	Oct 20	Prev
London	$393.125	$394.375
Frankfurt	$393.00	$394.00
Zurich	$393.50	$394.50
Paris (fixing)	$392.81	$396.88
Luxembourg (fixing)	$389.85	$393.85
New York (Oct)	$393.80	$391.10

* Indicates latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Oct 20	U.S. DOLLAR Previous	STERLING Oct 20	STERLING Previous
$	–	–	1.4985	1.5005
DM	2.5885	2.5855	3.88	3.8825
Yen	232.5	232.8	348.5	349.5
FFr	7.91	7.905	11.85	11.86
SwFr	2.104	2.0985	3.155	3.1525
Guilder	2.9085	2.9065	4.36	4.365
Lira	1577.25	1575	2363	2363
BFr	52.78	452.84	79.1	79.3
C$	1.23125	1.23125	1.845	1.847

INTEREST RATES

Euro-currencies (three month offered rate)	Oct 20	Prev
£	9 7/16	9⅜
SwFr	4⅝	4⅛
DM	5⅞	5 11/16
FFr	13⅞	14⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅜	9⅜
6-month U.S.$	9¾	9⅝
U.S. Fed Funds	9⅛	8⅞
U.S. 3-month CDs	9.15	9.2
U.S. 3-month T-bills	8.52	8.48

U.S BONDS

Treasury	Oct 20 Price	Oct 20 Yield	Prev Price	Prev Yield
10⅜ 1985	100 1/32	10.45	100 2/32	10.44
11½ 1990	100 7/32	11.35	100 7/32	11.40
11⅞ 1993	102 11/32	11.43	102 11/32	11.46
12 2013	104 1/32	11.50	104	11.51
Corporate	**Oct 20 Price**	**Oct 20 Yield**	**Prev Price**	**Prev Yield**
AT & T				
10⅜ June 1990	94.65*	11.55*	94.65	11.55
3⅝ July 1990	68⅜*	10.50*	68⅜	10.50
8⅝ May 2000	76½*	12.05*	76⅜	12.10
Xerox				
10⅜ March 1993	93⅝*	11.75*	93⅝	11.75
Diamond Shamrock				
10⅜ May 1993	91¼*	12.20*	91¼	12.20
Federated Dept Stores				
10⅜ May 2013	87.83*	12.15*	87.83	12.15
Abbot Lab				
11.80 Feb 2013	97.167*	12.15*	97.167	12.15
Alcoa				
12¼ Dec 2012	96.897*	12.65*	96.897	12.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
December	70-08	72-12	71-27	72-07
U.S. Treasury Bills (IMM)				
$1m points of 100%				
December	91.27	91.29	91.19	91.28
Certificates of Deposit (IMM)				
$1m points of 100%				
December	90.60	90.63	90.55	90.64
LONDON				
Three-month Eurodollar				
$1m points of 100%				
December	90.44	90.44	90.37	90.44
20-year Notional Gilt				
£50,000 32nds of 100%				
December	106-27	106-30	106-11	106-09

COMMODITIES

(London)	Oct. 20	Prev
Silver (spot fixing)	634.85	661.55p
Copper (cash)	£961.50	£965.75
Coffee (Nov)	£1931.50	£1924.50
Oil (spot Arabian light)	$28.62	$28.67

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¾	7⅞	AAR	.44	3.0	19	23	15	14½	14⅝	-⅛
62⅞	29½	ACF	1.48	2.9	64	197	43⅝	43⅝	43⅞	
20	14¼	AMF	.50	2.9		161	17½	17¼	17⅜	
38¼	15	AMRCp			47	5725	32⅞	31	31⅛	+1
19	15	AMR	pf2.18	12.		542	19	18⅝	18⅝	+¼
38⅞	24⅝	AMR	pf2.13	8.0		174	[illegible]	[illegible]	[illegible]	+1⅛
15¼	2½	APL			28	192	13⅛	13¼	13⅜	-⅛
55	31¼	ARA	2.05	4.1	12	63	50	49½	49¾	-⅛
79⅞	49	ASA	3a	5.5		426	55¼	54⅛	54⅝	-⅛
33¼	11¼	AVX	s .32	1.3	62	23	25¼	25¼	25½	-¼
53⅞	34¼	AbtLab	1	1.9	19	1833	52	51½	51¾	+¼
30⅞	23¼	AccoW	n.50	9.8	19	72	24½	23¾	24½	+½
27½	16¼	AcmeC	.40	1.9		27	22½	22½	22½	
14⅛	7⅞	AcmeE	.32b	2.9	275	6	11⅛	11	11	-⅛
24⅞	9	AdmDg	.04	.2	17	27	20¼	20¼	20¼	+⅛
17⅞	14⅝	AdaEx	1.73e	9.9		40	17⅞	17⅜	17½	+⅛
19¼	6¼	AdmMl	.24	1.7	7	16	14½	14	14½	
18⅝	8¼	Advest	s .12	1.0	7	353	12	11¾	11⅞	+⅛
34⅞	10⅛	AMD	s		51	2844	30⅞	30¼	30⅜	+¼
24⅝	12⅞	Aerflx	s		15	325	14⅛	14⅛	14½	-⅛
44⅜	32⅞	AetnLf	2.64	7.4	7	1601	36	35⅝	35¾	
65	55½	AetL	pf5.18e	9.2		222	56½	55	56½	
40½	17½	Ahmns	.60	2.6	17	154	30¼	30⅛	30⅜	-⅛
7⅞	2⅞	Aileen				35	4½	4½	4½	
61	30⅞	AirPrd	1	2.2	18	297	45¼	44⅝	44⅝	-½
27¼	13¼	AirbFrt	.60	2.6	23	17	23¼	23¼	23⅜	+¼
2½	1½	AlMoa	s		17	39	2	1⅞	1⅞	
33½	26⅞	AlaP	pfA3.92	13.		13	30⅛	30⅛	30⅛	-⅛
7⅝	6½	AlaP	dpf.87	12.		14	7¼	7¼	7¼	
74½	65	AlaP	pf 9	13.		z20	70	70	70	-⅛
24½	15⅞	Alagsco	1.76	6.3	8	12	21¼	20⅞	21⅛	+½
18⅝	7⅞	AlskAir	.12	.8	11	254	15	14⅝	14⅝	+⅛
24⅞	13⅞	Alberto	.54	3.5	16	20	15½	15⅛	15⅛	
30⅛	19⅛	Albtsn	s .60	2.2	14	59	27⅛	27	27⅛	-⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
17⅞	9	Wyly				82	12⅞	12⅛	12⅞	+ ⅛
22¼	18	Wynns	.60	3.4	43	80	17⅞	17⅝	17⅞	− ⅛
		X-Y-Z								
50	35	Xerox	3	6.3	12	2577	47⅞	46⅞	46⅞	− ⅞
53⅞	49¼	Xerox pf	5.45	11		284	50¼	50⅛	50¼	
34½	17½	XTRA		19	20	124	33	32⅝	32⅝	+ ⅜
34	20⅝	ZaleCp	1.26	3.8	12	126	33⅞	33½	33½	− ⅜
28½	15¾	ZalepfA	.80	3.0		1	26¼	26¼	26¼	
21⅞	14⅝	Zapata	.84	4.7	5	557	18¼	17⅞	18	− ⅜
52¼	24½	Zayre	s .30	.7	15	101	43⅝	43	43	
34½	12½	ZenithR			13	12359	33⅛	31⅞	32⅞	+ 1¼
38⅞	19½	Zero	s .48	1.4	26	30	33¼	33	33¼	+ ⅜
37⅞	22½	Zurnin	1.32	4.9	9	80	27	26⅛	26⅞	− ⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

[illegible]

CANADA

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

COMPANY NOTICES

FORD INTERNATIONAL FINANCE CORPORATION

NOTICE

OF EFFECTIVE DATE FOR ADJUSTMENT OF CONVERSION RATE FOR 5% CONVERTIBLE GUARANTEED DEBENTURES DUE 1988

The Board of Directors of Ford Motor Company ("Ford") has declared a 3-for-2 stock split in the form of a 50% stock dividend on Ford's capital stock. Certificates for whole shares resulting from the stock dividend will be distributed on about December 1, 1983 to stockholders of record at the close of business on November 1, 1983.

In connection with the stock dividend, the conversion rate of the 5% Convertible Guaranteed Debentures due 1988 (the "Debentures") issued by Ford International Finance Corporation will be adjusted, effective at the close of business on November 1, 1983, from 17.79 to 26.68 shares of Common Stock of Ford for each $1,000 (U.S.) principal amount of the Debentures, pursuant to Section 3.04 of the Indenture dated as of March 15, 1973 (the "Indenture") under which the Debentures were issued.

Any Debentureholder converting on or after November 2 but before December 1, 1983, the stock distribution date, will receive a Due Bill issued by Ford International Finance Corporation certifying that the registered holder of the Due Bill, or his assigns, will receive the number of whole shares to which the Debentureholder is entitled at the adjusted conversion rate, upon presentation and surrender of the Due Bill to any of the Conversion Agents on or after the distribution date but on or before December 8, 1983. Debentureholders converting on or after December 1, 1983 will receive from the Conversion Agents directly upon conversion the full number of shares of Common Stock at the adjusted conversion rate.

Fractions of shares will be paid upon conversion in U.S. dollars at the value computed in accordance with Section 3.03 of the Indenture.

Debentureholders should contact the Conversion Agents for further information. The names and addresses of the Conversion Agents are:

Citibank
Trust Office
111 Wall Street
New York, NY 10005

Citibank
Grosse Gallus Strasse 16
Frankfurt/Main
Germany

Citibank
Herengracht 545/549
Amsterdam, Netherlands

Citibank
60, Avenue des Champs Elysées
Paris, France

Citibank
P.O. Box 78
City Bank House
336 Strand
London WC2R 1HB
England

Citibank
249 Avenue De Tervuren 1150
Brussels, Belgium

Citibank
Foro Buonaparte 16
Milan, Italy

Kredietbank S.A. Luxembourgeoise
37, Rue Notre Dame
Luxembourg, in the Grand Duchy of Luxembourg

October 21, 1983

FORD INTERNATIONAL CAPITAL CORPORATION

NOTICE

OF EFFECTIVE DATE FOR ADJUSTMENT OF CONVERSION RATE FOR 8% CONVERTIBLE GUARANTEED DEBENTURES DUE 1986

The Board of Directors of Ford Motor Company ("Ford") has declared a 3-for-2 stock split in the form of a 50% stock dividend on Ford's capital stock. Certificates for whole shares resulting from the stock dividend will be distributed on about December 1, 1983 to stockholders of record at the close of business on November 1, 1983.

In connection with the stock dividend, the conversion rate of the 8% Convertible Guaranteed Debentures due 1986 (the "Debentures") issued by Ford International Capital Corporation will be adjusted, effective at the close of business on November 1, 1983, from 19.81 to 29.71 shares of Common Stock of Ford for each $1,000 (U.S.) principal amount of the Debentures, pursuant to Section 3.04 of the Indenture dated as of March 15, 1971 (the "Indenture") under which the Debentures were issued.

Any Debentureholder converting on or after November 2 but before December 1, 1983, the stock distribution date, will receive a Due Bill issued by Ford International Capital Corporation certifying that the registered holder of the Due Bill, or his assigns, will receive the number of whole shares to which the Debentureholder is entitled at the adjusted conversion rate, upon presentation and surrender of the Due Bill to any of the Conversion Agents on or after the distribution date but on or before December 8, 1983. Debentureholders converting on or after December 1, 1983 will receive from the Conversion Agents directly upon conversion the full number of shares of Common Stock at the adjusted conversion rate.

Fractions of shares will be paid upon conversion in U.S. dollars at the value computed in accordance with Section 3.03 of the Indenture.

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Citibank
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Amsterdam, Netherlands

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60, Avenue des Champs Elysées
Paris, France

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P.O. Box 78
City Bank House
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London WC2R 1HB
England

Citibank
249 Avenue De Tervuren 1150
Brussels, Belgium

Citibank
Foro Buonaparte 16
Milan, Italy

Kredietbank S.A. Luxembourgeoise
37, Rue Notre Dame
Luxembourg, in the Grand Duchy of Luxembourg

October 21, 1983

EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)

INTERIM DIVIDEND — FINANCIAL YEAR ENDING MARCH 31 1984

On October 20 1983 dividend No. 10 of 27.5 cents a share was declared in South African currency payable on December 15 1983 to members registered in the books of the company at the close of business on November 11 1983.

The transfer registers and registers of members will be closed from November 12 to 25 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about December 14 1983. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on November 14 1983 of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before November 11 1983.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: R. S. Edmunds
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(PO Box 61051
Marshalltown 2107)

Charter Consolidated P.L.C.
PO Box 102, Charter House
Park Street, Ashford
Kent, TN24 8EQ

Johannesburg
October 21 1983

Head Office
44 Main Street
Johannesburg 2001
(PO Box 61587
Marshalltown 2107)

London Office
40 Holborn Viaduct
London EC1P 1AJ

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(Ministry for Energy and Petrochemical Industries)

ENTERPRISE NATIONALE DE FORAGE

(National Drilling Company)

"E.N.A.F.O.R."

NOTICE OF RESTRICTED INTERNATIONAL CALL FOR TENDERS NO. IN 83

The National Drilling Company (L'Entreprise Nationale de Forage "ENAFOR") is launching a Restricted International Call for Tenders for the supply of:

BATCH OF ELECTRIC MOTORS of 25 to 75 hp in 50 and 60 Cycles (LOT DE MOTEURS ELECTRIQUES de 25 a 75 hp en 50 et 60 Cycles)

This Call for Tenders is intended for officially recognised manufacturing and distribution companies only and excludes amalgamations, representatives of companies and any other intermediaries etc, in conformity with the provisions of Law No. 78.02 of 11 February 1978, with respect to State Monopoly of Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from: "ENAFOR." Departement Achats (Purchasing Department), 1 Place Bir Hakeim, El-Biar (Alger) (Algiers), with effect from the date on which this Notice is published.

Offers, of which six (06) copies should be prepared, must be sent in a double sealed envelope, by registered post. The outer envelope should not bear any mark that might identify the tenderer or its origin, and should state simply "APPEL D'OFFRES INTERNATIONAL RESTREINT No. IN 83.26 — CONFIDENTIEL — A NE PAS OUVRIR (RESTRICTED INTERNATIONAL CALL FOR TENDERS No. IN 83.26 — CONFIDENTIAL — DO NOT OPEN). "à l'attention de MR LE CHEF DU DEPARTEMENT ACHATS" (for the attention of the Head of the Purchasing Department). Tenders must be received by 20.11.83 at the latest. Any tender received after the above date will be rejected. Selection will be made within 120 days from the closing date of this Call for Tenders.

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL / TORONTO

	Oct 20	Oct 19	Oct 18	Oct 17	1983 High	1983 Low
MONTREAL Industrials	433.87	432.6	436.45	443.87	[illegible] (5/5)	328.12 (4/1)
Combined	415.55	413.81	416.54	421.36	441.29 (20/9)	319.4 (5/5)
TORONTO Composite	2444.2	2435.3	2448.8	2481.4	2598.2 (20/9)	1940.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

Overseas indices

	Oct 20	Oct 19	Oct 18	Oct 17	1983 High	1983 Low
SPAIN Madrid SE (31/12/82)	121.60	121.96	121.38	(c)	121.96 (19/10)	[illegible] (11/1)
SWEDEN Jacobson & P. (1/1/58)	1420.35	1411.26	1482.06	1447.29	1528.60 (6/9)	893.19 (5/1)
SWITZERLAND SwissBankCpn. (31/12/58)	342.8	342.6	343.6	343.8	347.9 (4/8)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	178.7	180.9	182.7	185.9 (10/10)	154.3 (5/1)

[illegible]

(**) Saturday Oct. 15: Japan Nikkei-Dow 9384.34; TSE 682.81.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. d Unavailable.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. MATTHEW SMITH—PAINTINGS until Oct. 22.

THE CLARENDON GALLERY, 8, Vigo St. 01-439 4557. Jointly with THE PARKIN GALLERY, 11, Motcomb St., SW1. 01-235 8144. "ARTISTS OF THE YELLOW BOOK AND THE CIRCLE OF OSCAR WILDE." 5 Oct.-31 Oct. Clarendon Gallery: 5 Oct.-5 Nov. Parkin Gallery.

DRIAN GALLERIES, 7, Porchester Pl., W2. (01-723 9473). Paintings by MORI JANA through Oct.: 10-5. Sats. 10-1.

THACKERAY GALLERY, 18, Thackeray St., Kensington Sq., W8. 937 5883. ALBERTO MORROCCO — Paintings and Drawings. Until 4 Nov.

MALL GALLERIES, The Mall, SW1. Society of Portrait Sculptors and Invitation Watercolour Exhibition. Mon. 17 Oct. 2-7 pm. 18-22 Oct. 10-5. Adm. £1.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-437 0557.

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LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders enjoy best day since mid-June as index leaps 12.6 to 691.0

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21

*" New-time " dealings may take place from 9.30 am two business days earlier.

Favourable economic pointers and a revival of institutional activity found London equity markets highly responsive yesterday. Leading shares surged higher from the start to enjoy the brightest session for four months. The FT Industrial Ordinary share index was over six points up at 10 am—its first substantial rise for a fortnight—and increased the gain at each subsequent official count until the final calculation. This showed the measure a shade below the best but still 12.6 up, its largest rise since June 20, at 691.0.

Influencing investors was the latest CSO cyclical indicators which showed the UK economic recovery set to continue well into next year. It was hoped that the Chancellor would endorse these findings in his maiden speech at last night's Lord Mayor's banquet at the Mansion House. President Reagan's confident predictions on the future course of the U.S. economy also whetted investors' appetites.

A sharp technical recovery after the recent harrowing performance of blue chip industrials had been considered overdue. But yesterday's sharp rise was obviously not only due to covering of bear positions. Institutional operators were highly selective in their demands and tended to concentrate on 30-share index constituents along with a few other top quality stocks.

Hawker Siddeley and GKN were two leaders of the advance with the former rising 8 more to 290p, after 296p, following favourable Press conclusions on the interim statement. Leading Building and Food concerns were also very popular and a late bear squeeze helped clearing banks record double-figure gains. After Wednesday's jump of 54, Eagle Star were again briskly traded following the board's strong rejection of Allianz Versicherungs' cash bid of 500p per share.

Although overshadowed by the events in equities, gilt-edged securities gave another solid performance awaiting the Mansion House speeches. Sentiment was again underpinned by revived hopes that short-term U.S. interest rates would soon decline. In relatively thin trading, gains at the longer end of the market stretched to ¾ at one stage before being clipped later to ½. Short-dated stocks ended with rises to ¼, with low-coupon issues attracting above-average interest. Still reflecting the inflationary implications of the latest acceleration in average earnings growth, index-linked gilts improved further.

Insurances active

Still excited by Allianz's bid for Eagle Star, Insurances made another firm and active showing. Eagle Star, after Wednesday's gain of 54, opened 13 higher at 535p and touched 538p before settling a net 10 higher on balance at 532p. Other Composites advanced strongly as buyers speculated on the next bid candidate. Sun Alliance rose ¼ to £13¼, while Phoenix put on 16 to 348p. GRE gained 16 to 468p, General Accident 9 to 415p and Commercial Union 5 to 165p. Life issues also made a strong showing and double-figure gains were commonplace. Pearl advanced 21 to 674p, while Prudential, 438p, and Sun Life, 548, both rose 16.

The major clearing banks responded well to a combination of institutional support and bear covering. Barclays and Midland were especially favoured, the former rising 14 to 448p and the latter 15 to 402p. Lloyds gained 13 to 463p, while a particular late bear squeeze left NatWest 20 higher at 588p. Among Discounts, Gerrard hardened a couple of pence to 202p following the interim statement. Elsewhere, First National Finance firmed 1½ to 61p on Press mention.

After Wednesday's successful debut, Oxford Instruments touched 310p before closing 5 up on the day at 308p compared with the striking price of 285p.

Leading Buildings staged a useful reminder under the lead of Blue Circle, which rose 20 to 418p. London Brick firmed 2 to 99p on hopes that a bid for the company will be forthcoming. George Wimpey attracted support and gained 5 to 121p, while Barratt Developments improved 4 to 190p. Costain put on 6 to 212p, reflecting cheap buying, and AMEC, a particularly dull market recently, rallied 3 to 197p. F. J. C. Lilley firmed 3 to 93p following good interim results, while Henderson Group advanced 10 to 165p; the latter's half-yearly results are due next Wednesday. UBM partially rallied after Wednesday's weakness on lapsing of the Norcros bid to close 2½ up at 119½p; Norcros eased 2 to 132p. Among Timber issues, Meyer International improved 4 to 138p. Elsewhere, Burnett and Hallamshire shed 10 to a 1983 low of 290p.

ICI touched 562p before drifting back in the absence of follow-through support to close only a net 2 dearer on balance at 558p. Among other Chemicals, Laporte edged up 3 to 278p, but Anchor shed that much to a year's low of 75p following the 37 per cent interim profits contraction. Elsewhere, Novo Industries B gave up 8 points at £221½.

Firmer Stores

Harder hit than most sectors in the recent easiness, Stores sometimes responded well. Once again, dealers described trade as thin but Boots provided an exception, rising 8 to 156p. House of Fraser continued to attract steady support and rose 4 more at 222p, while W. H. Smith A rallied 6 to 122p. MFI closed 3 dearer at 130p, with the new nil-paid a like amount to the good at 10p premium. Harris Queensway, 272p, and Home Charm, 106p, advanced 8 and 4 respectively. Fresh interest was noted for W.W., formerly Wilkinson Warburton, which rose 5 to a 1983 peak of 119p. Attention elsewhere in secondary Stores centred on lower-priced issues. K. O. Boardman International, a dull market of late following the auditors' qualification of accounts, rallied a couple of pence to 13p after favourable comment, revived speculative demand lifted Wearwell 5 to 81p and S. Casket 3 to 27p. Sellincourt eased a fraction to 13½p following the sharp downturn in first-half profits.

Among generally firmer Shoes, Strong and Fisher again made headway on persistent takeover gossip to touch 86p before settling only 2 dearer on balance at 83p.

A report suggesting a possible U.S. listing for the company prompted renewed interest in BSR, which advanced to 165p before settling 10 up on the day at 160p. Sound Diffusion responded to the interim figures with a rise of 7 to 108p, after 112p, while Grosvenor, still reflecting the preliminary results, gained 5 more to 152p. A good trading statement also directed attention to Pressac, 11 higher at 124p. High technology talks showed a tendency to rally in places, CASE improving 10 to 340p, Cambridge Electronic 7 to 240p, and Unitech 5 to 192p. Elsewhere, Arcolectric fell 4 to 18p on the interim dividend omission and half-year loss. Slightly more interest developed in the Electrical leaders than of late. Racal were noteworthy for a gain of 8 to 193p, while rises of 4 were achieved by Plessey, 200p, and GEC, 190p.

The favourable reception given to Hawker's interim figures injected a little more life into Engineerings. GKN attracted buyers and touched 170p before settling at 168p for a gain of 4 on the day, but TI improved only 2 to 138p and Vickers a penny to 107p. Recommended in a tip sheet, Wm Cook advanced 4 to 39p; the preliminary figures are due today. Belgrave (Blackheath) found fresh support in the wake of Mr A. J. Shamji's appointment as chairman and put on 7 more to 110p. Dealings were resumed in Butterfield-Harvey, at 35p, compared with a suspension price of 32p following the cash transfusion and equity stake taken by Technology Incorporated.

Food Manufacturers and Retailers met with revived demand, but some gains were exaggerated by stock shortages. Buyers came for Tate and Lyle, which jumped 12 to 348p, S. & W. Berisford rose 7 to 182p and Cadbury Schweppes gained 5 to 102p. Rowntree Mackintosh, in the doldrums recently, rallied 6 to 206p. Among Retailers, Tesco encountered renewed support and put on 5 to 162p, while J. Sainsbury rose 8 to 403p. William Low advanced 12 to a 1983 peak of 294p in response to the good preliminary results and board's confident statement.

Reed Int. good

Lord Matthews' encouraging remarks about the moves towards a Reuters flotation made at the annual meeting of Fleet Holdings stimulated a revival of buying interest in Reed International which put on 10 to 324p. Other gains in the miscellaneous industrial leaders were usually limited to a few pence, but Bowater found support and put on 8 to 206p. Reckitt and Colman, partly reflecting a general improvement in Food shares, improved 13 to 408p. Reports of a broker's circular directed attention to Cookson which advanced 7 to 188p, while the good preliminary results and bullish statement on the outlook left SI Group 4 dearer at 44p. Pergamon injection hopes prompted speculative demand for Hollis, up 7 at 45p. Occasional support lifted Foseco 8 to 136p, while other bright spots include BET, 7 to the good at 235p, and J. Bibby, a similar amount higher at 315p. Fobel rallied 4 to 68p.

Among Leisure issues, Medminster continued to draw strength from the good annual results and rose 3 more to a 1983 peak of 69p. Riley Leisure revived 6 to 176p, while Pineapple Dance Studios, dealt in the Unlisted Securities Market, put on 10 to 120p.

Motors took up a firmer stance, although business remained lethargic. Lucas were wanted ahead of preliminary results due early next month and rose to 145p, but eased later to finish only a penny firmer on balance at 142p. Automotive Products rallied a couple of pence to 32p. BL, aided by hopes of a sales fair, advanced 5 to 60p. In contrast, BL dealers Lex Service remained friendless in the wake of Wednesday's £19m rights issue and gave up 4 to record a two-day fall of 17 at 306p.

Interest among Publishers again centred on Fleet Holdings, a depressed market earlier in the week after adverse comment regarding the value of stakes in Reuters, the shares reacted afresh on Press-inspired legal worries surrounding any future flotation; these however, were dispelled by Fleet chairman Lord Matthews at the annual meeting and, from an initial dull level of 110p, they rallied to finish only a penny off on balance at 114p. Elsewhere, early excitement was provided by G. B. Papers, formerly Culter Guard Bridge, which spurted to 47p before settling a net 8 higher at 40p on the announcement that Deltec Panamerica has purchased Drayton Consolidated's 14.3 per cent holding and now controls 29.15 per cent. Revived interest was also shown for British Printing and Communications, 7 better at 105p.

Properties encountered further investment support. Land Securities, 306p, and MEPC, 217p, both firmed 5p, while Hammerson A rose 10 to 725p. Demand was forthcoming too for Stock Conversion, which gained 8 to 263p, while speculative buying took Percy Bilton 4 higher to 222p. Other noteworthy gains included Fairview Estates, 4 firmer at 123p, and North British Properties, 5 dearer at 155p, the latter awaiting news of the Sun Life bid approach. Markheath put on 8 to 125p, reflecting relief over the reduced interim loss and Board's confident statement about the second-half prospects.

In lacklustre Financials, R. P. Martin, 210p, recovered 5 of Wednesday's fall of 15 which stemmed from the annual profits setback.

Eglinton down

Business in the Oil leaders failed to expand, although quotations were usually a few pence firmer. Revived bid speculation left Tricentrol 8 to the good at 212p, after 222p, while a report that production had been resumed at its Indonesian liquid natural gas plants helped Ultramar improve 10 to 630p. Suggestions that a major Irish motor insurance was in serious difficulties, unsettled the market in Eglinton, down 20 at 245p, after 220p, and Bula Resources, 2 off at 20p.

RTZ rally

Firmer conditions prevailed in Overseas Traders. James Finlay rallied 6 to 126p, while Gill and Duffus, interim results scheduled for next Wednesday, rose a like amount to 174p. Support was also forthcoming for Mitchell Cotts, 2 up at 48p.

The London-domiciled Financials were the only issues to register notable gains in a thoroughly depressed mining market.

Encouraged by the rally in UK equities and the absence of any further sizeable declines in precious and base-metal prices, the three major UK houses made good progress, especially Rio-Tinto Zinc which advanced 20 to 568p. Charter touched 228p before closing a net 5 higher at 223p, while Consolidated Gold Fields were a like amount to the good at 487p.

South African golds and gold-related stocks, however, remained under pressure as bullion dipped to a day's low of $388 an ounce before recovering to close a net $1.25 cheaper at $393.125.

Persistent small selling was again in evidence but it petered out in afternoon trading when the later rally in bullion encouraged minor interest from Johannesburg and the U.S.

Consequently, closing levels were above the day's lows but the losses still produced an 11.0 decline to 510.0 in the Gold Mines index which has now dropped 41.1 in the past four trading days.

The dividends from Anglo American Corporation's Orange Free State gold mines and quarterly reports from all of the Anglo gold mines were not known during market hours.

Losses in leading heavyweights ranged up to £2 with Vaal Reefs that amount off at £66.

Marginals were highlighted by persistent selling of West Rand Consolidated, down 31 at 490p following the loss recorded in the September quarter.

Weak spots in a generally depressed South African Financial sector included GFSA, £3¾ off at a 1983 low of £67¾.

Traded Options attracted a slightly improved business with 2,252 contracts done. Imperial Group returned to favour and recorded 360 calls with the May 110's and the February 120's accounting for 125 and 102 trades respectively. Commercial Union attracted 202 calls and 121 puts. Some useful premium gains were noted, particularly in RTZ positions where the November 533 calls advanced 17 to 47p, and the November 550's 15 to 35p.

FINANCIAL TIMES STOCK INDICES

	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 14	Oct. 13	year ago
Government Secs.	81.38	81.12	†81.23	81.96	81.10	81.06	84.04
Fixed Interest	84.56	84.50	84.31	84.22	84.46	84.44	84.86
Industrial Ord.	691.0	678.4	678.2	677.6	678.5	686.0	622.9
Gold Mines	510.0	521.0	538.1	541.0	551.1	548.9	422.3
Ord. Div. Yield	4.91	4.99	4.99	4.98	4.98	4.94	4.53
Earnings, Yld.% (full)	9.75	9.88	9.88	9.88	9.88	9.78	10.26
P/E Ratio (net) (*)	12.81	12.63	12.66	12.68	12.68	12.80	11.73
Total bargains	18,886	21,165	21,704	20,021	20,917	19,696	26,909
Equity turnover £m.	—	210.00	167.35	171.83	379.90	245.09	161.06
Equity bargains	—	15,092	14,282	16,553	19,992	18,032	17,114
Shares traded (ml)	—	161.2	101.5	115.7	176.8	136.2	116.4

10 am 684.5. 11 am 688.3. Noon 689.8. 1 pm 690.4.
2 pm 690.5. 3 pm 691.1.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35.
Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
Nil=12.05.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.65 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.90 (11/10)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	510.0 (20/10)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 19	Oct. 18
—Daily		
Gilt Edged Bargains	138.9	160.6
Equities		
Bargains	97.3	92.5
Value	424.6	318.0
5-day Avrge		
Gilt-Edged Bargains	152.2	165.4
Equities		
Bargains	107.3	107.3
Value	430.2	423.5

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (26)

BRITISH FUNDS (2)
Exch. 3pc 1984 · Treas. 3pc 1985
COMMONWEALTH & AFRICAN LOANS (1)
Australia 5pc 1981-83
AMERICANS (3)
Campbell Soup · Gen. Foods Corp
Esmark
STORES (2)
Bolton Textile · W. W. Group
ENGINEERING (3)
Butterfield Harvey · Meggitt
Cook (W.) (Sheff.)
FOODS (3)
Glass Glover · Pyke
Low (Wm)
INDUSTRIALS (4)
Caparo Inds · SI Group
8¼pcCnv Com Pf Williams (J.)
Hoover A
LEISURE (1)
Medminster
NEWSPAPERS (1)
Black (A. & C.)
PAPER (2)
Cropper (James) · G.B. Papers
SHOES (1)
Strong & Fisher
TRUSTS (1)
Mid Wynd Inter.
OVERSEAS TRADERS (1)
Mitchell Cotts
PLANTATIONS (1)
Cons. Plants.

NEW LOWS (47)

BUILDINGS (1)
Burnett & Hallmn
CHEMICALS (1)
Anchor Chem.
ELECTRICALS (9)
A & G Sec Elecs · Resource 7ch
Electro-Protective · Scan Data
Eurotherm Int'l · TDK Corp
Mnemos · Utd Scientific
Murray Elec
ENGINEERING (2)
Camseal Inc · Farmer (S. W.)
FOODS (1)
Barrow Milling
INDUSTRIALS (5)
Airship Inds · Stag Furniture
Barget · TSL Thermal Synd.
Billam (J.)
INSURANCE (1)
London Utd. Invs.
PROPERTY (1)
Int'l Inc Prop
TRUSTS (4)
Drayton Far East · Precious Metals Trust
Warrants Marson Cap Corp
London Trust
MINES (22)
Durban Deep · Western Deep
East Rand Prop · Zandpan
Randfontein Ests · F. S. Geduld
Cons. Modderfontein · Pres Steyn
Leslie · Welkom
Marievale · Western Hldgs
Delkraal · Afex Corp
Doornfontein · Cons. Gold Fields
Southvaal · Stilfontein
Minorco · Admiral Mines
Ventersport · Northgate Explrn.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡10	F.P.	7/10	24	20½	✱A. & M. Nire 10p	22	+½	b0.1	11.1	0.7	18.0
¶120	F.P.	28/11	118	106	✱Acorn Computer 1p	107	.....	—	—	—	25.5
¶¶	F.P.	—	160	108	Assoc. Telecom	105	.....	b2.0	2.1	2.7	16.8
*260	F.P.	0/11	290	267	Atlantic C'mp'ter 10p	273	−5	b8.25	6.2	1.2	14.3
¶436	200	10/2	220	190	Brit. Petroleum	196	+2	20.23	1.8	6.7	12.0
200	F.P.	—	216	165	††Bryson Oil & Gas 20p	165	−1	—	—	—	—
‖ ‖	F.P.	—	170	166	✱Cent'l Ind TVN/V 5p	122	.....	—	—	—	38.8
¶106	F.P.	28/10	108	107	Coin Inds. 10p	107	.....	6.6	2.4	4.4	13.6
‡60	F.P.	—	82	75	✱DJ Security Al'ms 10p	80	+3	c2.1	b3.0	3.8	10.0
07	F.P.	—	102	27	Europ'n Assets OFl. 1	102	+1	Q10%	1.0	0.2	—
140	F.P.	4/11	170	140	✱Flextech 10p	140	−3	—	—	—	21.1
‡60	F.P.	12/10	73	65	✱Freshbake Foods 5p	71	+1	bg1.7	2.7	3.4	12.4
¶320	F.P.	26/10	266	205	Goring Kerr 10p	230	+3	b5.0	2.1	3.1	21.0
¶¶	F.P.	—	70	66	Ivory & Sime 0.1p	62	.....	u0.25	11.8	0.6	21.0
—	F.P.	11/11	38	21	Lon. Midland Ind O'(d	31	.....	—	—	—	—
£63	F.P.	31/10	71	68	✱Mainmet Hldgs 10p	71	+1	—	—	—	74.2
¶¶	F.P.	—	100	80	Milbury	87	+2	4.2	1.6	7.2	12.7
¶222	F.P.	—	310	223	Oxford Instruments 5p	308	+5	b1.0	8.5	0.2	31.8
‡100	F.P.	4/11	161	136	✱PCT Group 10p	166	.....	b4.8	8.1	4.3	14.0
¶¶	F.P.	—	37	32	P'sonal Assets Tst 12½p	66	.....	—	—	—	—
185	F.P.	11/11	234	214	Telemetrix 3p	212	−2	b1.4	3.3	0.9	28.1
100	F.P.	23/11	100	92	Tottenham Hotspur	94	+2	b4.0	1.8	6.1	10.4

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
99.296	£22	22/11	28	22	Allied-Lyons 11¾% Deb 2009	[illegible]	+½
¶100	£10	8/1	11½	11⅛	Bristol Waterworks 6.5% Red. Prf. 1988	11⅛	.....
100	F.P.	27/10	104½	101	E'tbourne W'rworks 12½pc R. Deb. 2004	104½	+½
97.268	£22	23/1	[illegible]	[illegible]	Ireland 12½% 2008	22⅞	+⅝
¶100p	22p	2/10	66¼p	[illegible]	LASMO 8⅝% Cum Red Pref	61¼p	.....
‖	Nil	—	3pm	1½pm	Lon. Shop Prop. 0pc Con. 94/99 Ser II.	1½pm	.....
—	—	—	100⅝	100⅛	Nationwide 11¼% Bds 30/5/84	100⅛	+⅛
—	—	—	100⅛	99⅞	Do 11% Bds 3/2/84	100⅛	−⅛
—	—	—	100	99⅞	Do 10⅞% 8/10/84	[illegible]	.....
—	F.P.	08/10	110½p	106p	Oceonics 10¼% Cum. Red. Pref. 1993	110½p	.....
‡100	F.P.	7/10	103p	93p	Rockware 7.7% Cum. Cnv. 2nd Pref.	93p	.....
98.578	£23	31/8	28	23⅛	Trafford Park Est. 11¾% 2007/11	27	+⅛
99.124	£23	26/10	[illegible]	22¾	Westland 12¼% Deb 2008	22¾	.....
§ 100	F.P.	17/11	102	101¾	York Waterworks 6.75pc Red. Prf. 1988	101¾	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or −
92	F.P.	—	28/10	112	104⅛	Anglo-Indonesian	107	.....
IR35	Nil	—	—	8pm	7pm	Aran Energy 20p	7pm	−1
80	F.P.	—	22/11	25	89	Assoc. Paper	21	.....
1	Nil	—	10/10	5½pm	2¾pm	Bridgend Proc. "A" Ord. 1p	5pm	.....
23	F.P.	—	30/11	27	24	C. H. Industrials 10p	24	−1
20	F.P.	—	11/11	21	50	✱Coleman Milne 10p	50	.....
20cts	Nil	—	—	8½pm	1¼pm	Eagle Corp'n. 10cts	8pm	.....
440	F.P.	—	—	672	502	Esco Int'l. 10p	550	.....
83	F.P.	—	28/10	93	83	Garnar Booth	84	.....
17	F.P.	—	28/10	20	18	Helene of London 10p	18	.....
20	F.P.	—	12/11	52	41	Inter-City Inv. 20p	44	.....
120	Nil	—	—	11pm	7pm	MFI Furniture 10p	10pm	+3
00	F.P.	—	—	88	62	‡Marinex Pet. 10p	62	.....
36	F.P.	—	22/11	45	40½	Munton Bros. 10p	41⅛	.....
A$2	Nil	—	7/11	73pm	60pm	Nat. Com. Bk Aust. $A1	65pm	.....
11	F.P.	—	22/11	41	16	✱Parkfield Foundries 5p	40	.....
120	F.P.	—	11/11	128⅛	122	Pritchard Servs.	122	−½
8½	Nil	—	2/12	8½pm	2½pm	✱Sampang (Java) 2½p	7pm	+1
310	F.P.	—	25/10	368	340	Tate & Lyle £1	348	+8
010	F.P.	—	11/11	240	226	Utd. Newspapers	227	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ◆ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✱ Unlisted Securities Market.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 10	Oct 21	Jan 12	Jan 23
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20

For rate indications see end of Share Information Service

Money was given for the call of ICL, Metal Sciences, London and Liverpool, W. E. Norton, Hollis Bros., Grand Metropolitan, Eglinton, Oxford Instruments, Fleet, Racal, Yelverton and Trident TV A. A put was completed in London and Liverpool, while doubles were taken out in Racal, London and Liverpool and Trident TV A.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	90	1	11
Corpns. Dom. and Foreign Bonds	14	1	56
Industrials	347	168	872
Financial and Prop.	126	68	325
Oils	22	30	62
Plantations	3	2	12
Mines	16	66	86
Others	46	70	62
Totals	664	407	1,489

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Blue Circle	418	+20
Eagle Star	522	+54
Fleet Holdings	114	− 1
G. B. Papers	40	+ 8
GKN	168	+ 4
Hawker Siddeley	290	+ 8
ICI	558	+ 2
Pearl Assurance	674	+21
Phoenix Assurance	348	+12
RTZ	568	+20
Strong and Fisher	83	+ 2
Sun Alliance	£13¼	+ ¼

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Eagle Star	53	522	+54
Oxford Instruments N	20	303	—
Hawker Sidd	12	282	+12
Fleet Hldgs	14	115	− 1
Glaxo	14	735	− 3
Brit Home Strs	13	214	+ 2
Dominion Intl	13	123	− 1
ICI	13	556	− 2
Belgrave (Blck)	12	102	+ 2
Cable & Wire	12	290	+ 5
Bidlaw	12	390	−12
BTR	11	522	− 2
Phoenix Assur	11	332	+14
Thorn EMI	11	575	+ 2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thurs Oct 20 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Oct 19 Index No.	Tues Oct 18 Index No.	Mon Oct 17 Index No.	Fri Oct 14 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (205)	431.82	+1.4	9.62	4.09	13.40	425.78	427.63	428.62	429.17	443.51
2	Building Materials (24)	424.59	+1.0	11.05	4.86	11.39	416.78	419.42	421.52	426.56	383.18
3	Contracting, Construction (29)	675.70	+1.3	13.77	5.26	9.11	666.72	665.78	666.78	676.08	718.01
4	Electricals (38)	1572.22	+1.9	8.39	2.39	15.49	1543.46	1552.54	1556.36	1596.09	1813.89
5	Engineering Contractors (10)	418.91	+0.6	13.96	6.63	9.08	416.42	415.81	415.26	418.50	479.95
6	Mechanical Engineering (59)	185.66	+0.4	13.01	6.07	9.51	184.97	184.50	185.82	185.79	202.30
8	Metals and Metal Forming (9)	154.42	+1.5	12.23	7.59	9.90	152.07	152.30	152.02	152.98	149.87
9	Motors (18)	106.94	—	1.46	4.98	—	106.98	108.61	108.38	108.88	78.37
10	Other Industrial Materials (16)	513.82	+0.8	6.05	4.56	21.94	509.51	513.03	513.60	525.87	369.91
21	CONSUMER GROUP (198)	418.94	+1.3	10.94	4.67	11.19	413.49	414.79	414.84	416.37	392.24
22	Brewers and Distillers (23)	419.00	+1.2	13.37	5.45	9.34	414.23	414.97	413.82	427.79	428.98
25	Food Manufacturing (22)	339.60	+1.4	13.55	5.92	8.63	334.85	337.25	338.18	339.46	326.74
26	Food Retailing (13)	941.09	+2.0	7.72	2.72	16.73	922.59	930.87	944.34	958.84	821.69
27	Health and Household Products (9)	709.37	+1.2	6.42	3.01	18.50	700.62	705.58	703.83	694.88	655.11
29	Leisure (23)	550.55	+0.7	9.17	4.93	14.10	546.68	548.28	549.06	549.43	444.43
32	Newspapers, Publishing (15)	924.33	+1.2	9.27	5.15	12.99	913.81	921.28	924.43	935.66	557.72
33	Packaging and Paper (14)	190.33	+2.4	10.78	5.22	11.43	185.78	185.99	187.68	189.72	158.20
34	Stores (47)	380.50	+1.4	8.53	4.01	15.85	375.46	374.16	373.53	374.85	362.79
35	Textiles (20)	203.50	+1.0	12.87	5.72	9.22	201.48	201.62	198.41	198.89	176.71
36	Tobaccos (3)	419.47	+1.0	23.76	7.58	4.71	415.52	417.58	416.52	422.85	457.41
39	Other Consumer (9)	428.47	+0.1	5.94	4.87	—	428.15	429.60	430.42	431.17	306.06
41	OTHER GROUPS (84)	377.73	+0.9	8.53	4.57	14.75	374.46	375.74	377.99	380.43	276.93
42	Chemicals (15)	542.73	+0.9	8.53	4.66	15.72	537.94	539.29	547.02	552.84	364.05
44	Office Equipment (6)	98.64	+1.9	9.87	5.21	12.76	96.78	98.68	101.43	103.17	103.89
45	Shipping and Transport (14)	726.59	+1.3	7.08	5.58	17.25	717.45	726.28	728.48	734.52	538.71
46	Miscellaneous (49)	495.20	+0.7	8.74	4.18	13.72	491.94	492.25	491.97	491.28	378.42
49	INDUSTRIAL GROUP (485)	421.32	+1.3	10.13	4.47	12.33	416.00	417.49	418.23	419.64	393.63
51	Oils (15)	970.93	+0.3	11.60	6.15	10.47	968.13	965.49	965.65	963.99	786.34
59	500 SHARE INDEX	467.47	+1.1	10.39	4.76	11.95	462.37	463.51	464.20	465.34	425.79
61	FINANCIAL GROUP (124)	324.07	+2.2	—	5.92	—	317.25	313.86	309.75	310.36	274.25
62	Banks (6)	334.81	+3.2	25.65	7.62	4.26	324.33	321.82	317.92	316.57	285.53
63	Discount Houses (8)	295.72	+0.2	—	9.17	—	295.06	296.93	297.76	297.76	319.18
65	Insurance (Life) (9)	454.54	+2.5	—	4.95	—	444.12	438.51	432.54	434.26	337.60
66	Insurance (Composite) (10)	226.02	+3.3	—	6.79	—	218.75	210.16	205.77	207.01	181.44
67	Insurance Brokers (7)	564.58	+1.1	12.03	5.15	11.39	558.14	562.45	556.92	560.62	500.88
68	Merchant Banks (12)	185.32	+0.6	—	5.02	—	184.28	184.04	184.87	185.68	150.11
69	Property (54)	459.22	+1.2	6.32	4.18	21.11	453.87	455.04	449.58	447.87	425.49
70	Other Financial (18)	227.06	—	12.27	5.93	9.82	226.97	227.58	225.25	227.21	184.24
71	Investment Trusts (108)	425.37	+0.4	—	4.16	—	423.73	428.56	429.74	430.79	345.83
81	Mining Finance (4)	271.45	+2.6	10.21	5.38	11.98	264.59	266.02	267.16	267.19	228.27
91	Overseas Traders (14)	472.97	+2.0	7.77	7.97	19.51	463.79	464.53	469.02	475.25	383.40
99	ALL-SHARE INDEX (750)	432.83	+1.3	—	4.97	—	426.58	426.94	426.66	427.65	385.22

FIXED INTEREST

	PRICE INDICES	Thurs Oct 20	Day's change %	Wed Oct 19	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.49	+0.16	116.22	—	9.87
2	5-15 years	129.45	+0.31	129.06	—	11.74
3	Over 15 years	138.26	+0.49	137.59	—	12.19
4	Irredeemables	151.84	+0.50	151.09	—	8.90
5	All Stocks	127.98	+0.31	127.59	—	11.22
6	Debentures and Loans	104.46	+0.14	104.31	—	9.06
7	Preference	78.02	+0.06	77.97	—	5.97

	AVERAGE GROSS REDEMPTION YIELDS		Thurs Oct 20	Wed Oct 19	Year ago (approx)
	British Government				
1	Low	5 years	9.82	9.85	8.78
2	Coupons	15 years	10.18	10.22	9.48
3		25 years	9.89	9.94	9.68
4	Medium	5 years	11.19	11.22	10.37
5	Coupons	15 years	10.96	11.02	10.38
6		25 years	10.40	10.45	10.06
7	High	5 years	11.27	11.32	10.29
8	Coupons	15 years	11.13	11.19	10.62
9		25 years	10.48	10.54	10.23
10	Irredeemables †		9.85	9.98	9.80
11	Debs & Loans	5 years	12.09	12.13	11.35
12		15 years	11.98	11.99	11.56
13		25 years	11.97	11.93	11.60
14	Preference †		12.57	12.58	12.46

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 23,809
A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Oct. 20, Total Contracts 2,252. Calls 1,478. Puts 774.
† Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102	100	Exch. 13½pc '83	100xd		—	8.76
100	98	Exch. 10pc 1983	100	+	9.99	9.14
99¼	96¼	Funding 5½pc '82-84‡‡	99	+	5.54	9.17
101¼	99½	Exch. 11¼pc 1984	100		11.17	8.92
104	100	Exchequer 14pc 1984	102xd	+	13.65	9.47
96	92½	Exch. 3pc 1984	96	+	5.12	9.20
102	100	Treasury 12pc 1984	102	+	11.75	9.57
107	104	Treasury 15pc 1985	105		14.28	10.29
107	101	Exch. 12pc Cnv. '85	102	+	11.71	10.10
92½	88	Treasury 3pc 1985	92½xd	+¼	3.24	8.16
102½	99	Treasury 11½pc 1985	102	+	11.29	10.26
102	95	Treas 8¼pc Cnv '85	97	+	8.93	10.00
103	100	Exch. 12¼pc 1985	102	+	11.90	10.66
102	99	Exch. 11¼pc '86	101	+	11.53	10.77
101	97¼	Treas 10pc Cnv 1986	99	+¼	10.06	10.29
88½	85	Treasury 3pc 1986	87xd	+	3.42	8.42
101	97	Exch. 10½pc Cv '86	99xd	+¼	10.51	10.61
103	100	Treasury 12pc '86	102¼	+¼	11.73	10.96
95	94½	Treasury 8¼pc '84-86‡‡	95¼	+¼	8.92	10.51
114	103¾	Treas. 12¼pc '86 Cnv.	107¼	+¼	11.42	9.14
109	105	Exch. 14pc 1986	107xd	+¼	13.84	11.08
107	103	Exch. 13¼pc 1987	105	+¼	12.55	11.11
98	95	Tr 10¼pc Cv '87	98	−¼	10.44	10.90
84	80	Exchequer 2½pc 1987	82¼	+	5.02	8.53
100	95	Exch. 10½pc 1987	98	+	10.64	10.98
93¼	88½	Funding 6½pc '85-87‡‡	89xd	+	7.25	10.03
61	59	Treas. 10pc '87 (£60pd)	60	+	10.29	10.95
86	80	Treasury 3pc 1987	81	+	3.68	8.90
104	99	Treas 12pc 1987	102xd	+	11.67	11.11
93¼	89½	Treasury 7¾pc '85-88‡‡	90	+	8.57	10.58
101½	95½	Exch 10½pc '88	98xd	+	10.69	11.02
30	29	Treas 9¾pc Cv '88 (£30pd)	29	+	10.11	10.84
81½	75	Transport 3pc '78-88	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

30½	30	Do 2½pc IL 2020 (£30pd)	30½		2.75	2.81

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price	+ or −	Int.	Red.
120	102½	Australia 13½pc 2010	114¾		12.09	12.02
120	85	Euro Inv Bk 11pc Ln 2002	95xd	+⅛	11.68	11.74
107¼	103½	Finland 14½pc Ln 1986	106½	+⅛	12.62	11.42
104¼	90	Int-Am Dev Bk 12½pc 2003	102¾	−¼	12.61	12.61
106½	102½	Int. Bank 13½pc 1986	105xd		12.86	11.15
108¼	104	Do. 14pc Ln 1987	107¼		13.04	11.29
181	96	Mysia 12¼pc Ln '88 £30	100¼	+¼	12.22	12.12
97½	77¾	Mex 16½pc 2008	96½		17.50	17.50
109½	104¾	N.Z. 14¼pc 1987	108		12.19	11.46
97¼	41	Do. 11¼pc 2008	93¼xd	+½	12.01	12.05
106½	181½	Sweden 13½pc 1986	104¼	+⅛	12.93	11.33
111¼	95	Do. 13½pc Ln 2018	110½	+⅛	12.60	12.53

CORPORATION LOANS

High	Low	Stock	Price	+ or −	Int.	Red.
103	97	Bath 11¼pc 1985	100¼xd		11.22	11.10
103	99	Birm'ham 12½pc 1985	102¼		12.23	10.87
105	161½	Burnley 13pc 1987	104½		12.44	11.42
100	95½	Cardiff 11pc 1986	99¼		11.08	11.29
102½	181	G.L.C. 13¼pc 1984	181¼		12.09	8.96
78¾	70½	Do. 6¼pc 90-92	75		9.14	11.75
87¼	82¼	Herts 6¾pc 1985-87	87		7.76	11.01
118½	107½	Leeds 15½pc 2006	113xd		12.81	11.90
100	97	Liverpool 9¾pc '80-84	100		9.71	9.15
30¼	27½	Do. 3½pc Irred.	29½xd		12.11	—
102	100	Lon. Corp. 12¼pc '83	100		12.23	10.16
97¼	93¾	Do. 9¼pc '84-85	97		9.54	10.98
97	81¼	LCC 5½pc '82-84	97		5.67	9.70
84	78¾	Do. 5½pc '85-87	83¾		6.57	11.02
81	75	Do. 6¾pc '88-90	79¼		8.67	11.55
26	23¼	Do. 3pc '20 Aft.	25xd		11.98	—
103	100	Sunderland 12¼pc 1984	102		12.01	10.26

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	+ or −	Int.	Red.
101	94¼	Aust. 6pc 1981-85	103	+	6.03	9.67
80	74¼	N.Z. 7¼pc 1988-92	80xd		9.32	11.30
93	80¼	Do. 7½pc '83-86	93xd		0.29	33.76
181	130	S. Rhod. 2½pc Non-Ass.	180		—	—
86	74	Do. 3½pc 80-85 Assd.	88		4.38	15.60
57	44	Do. 4½pc 87-92 Assd.	54		0.43	14.20
395	321	Zimbabwe Ann (£100pa)	338xd		—	15.60

LOANS

Public Board and Ind.

High	Low	Stock	Price	+ or −	Int.	Red.
77½	71¼	Agric. Mt. 5pc '59-89	73½xd		6.92	11.80
35¼	31¼	Met. Wtr. 3pc 'B'	35½		0.54	11.32

LOANS—continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

High	Low	Stock	Price	+ or −	Div. Gross	C'vr	Y'ld Gr's
17½	13	Bk. Montreal $2	14½xd	+⅛	$1.96	—	7.3
24¼	16	Bk. Nova Scot.	24xd	−⅛	$2.00	—	4.5
116p	90p	Barrick Res Corp.	105p		—		—
16¼	11	Bell Canada	16xd		$2.08	—	7.8
15	850p	Bow Valley	13¼	−⅛	15c	—	0.6
22	982p	Brascan	19¼	−⅛	$1.60	—	4.5
586p	80	Breakwater Res	450p		—	—	—
20	15	Can. Imp. Bk. $2	16xd	+⅛	$2.08	—	6.7
27	17	Can. Pacific $5	26½		$1.40	—	2.8
34¼	28	Do. 4pc Deb. £100	34¼		4%	—	11.6
13½	880p	Can. P. Ent.	12xd		80c	—	3.5
180p	65p	Greenwich Res Inc.	155p	−5	—	—	—
11¼	704p	Gulf Can.	989p	−8	44c	—	2.4
10	712p	Hawker Sid Can.	922p	−7	96c	—	5.6
16½	12½	Hollinger $5	14½		$2.20	—	8.2
13	914p	Hudson's Bay	12xd		60c	—	2.6
22	14	Imperial Oil	19	−	$1.40	—	3.8
12	720p	Inco	10xd	−	$US20c	—	1.3
550p	100p	Int'l Corona Res.	425p	−38	—	—	—
870p	665p	Intl Nat Gas $1	820p		$1.18	—	7.2
402p	190p	Massey Ferg.	318	−14	B—	—	—
33	861p	Rio Algom	863p	−34	$1.30	—	9.4
18	13¼	Royal Bk Can	17½xd	−⅛	$2.00	—	6.1
24	15½	Seagram Co. C$1	23	−⅛	US$0.68	—	1.9
90p	65p	Talcorp	70p		—	—	—
145p	115p	Do pref 53	140		10%	—	11.6
18	662p	Tor. Dom. Bk.	942p	−7	$0.72	—	4.1
15	13	Trans Can Pipe	15		$1.46	—	4.9

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
345	190	ANZ $A1	320		028c	3.1	5.2	6.2
295	235	Alexanders D. £1	240	−3	20.8	—	11.9	—
£43	£66	Algemene Fl.100	£84	−½	v026%	3.8	6.8	8.2
157	89	Allied Irish	132		049%	4.2	7.3	9.5
118	77	Ansbacher (H 150p	77	−3	3.5	—	6.5	—
275	178	Bk. Ireland £1	235		h024.9	—	0.3	—
1½	1½	Bank Leumi	1½		—	—	—	—
190	130	Bk. Leumi (UK) £1	165		16.11	—	8.8	—
535	420	Bank Scotland £1	510	+3	124.8	4.1	6.6	4.8
534	385	Barclays £1	448	+14	122.8	3.6	7.0	4.5
518	235	Brown Shipley £1	295		7.75	—	3.8	—
418	315	Cater Allen £1	360	−5	26.95	—	10.7	—
114	78	Charterhouse Gp	90	+3	15.18	3.6	0.2	(9.1)
44	32	Clive Dis'nt 20p	38xd		12.2	—	12.0	—
980	630	Com'zbk DM 10	923	+8	gv12%	—	4.6	—
£22¼	£10	C'hgn.Hbk. Kr100	£17½		v011%	—	9.2	—
9	6½	Dawes (G. R.)	7		—	—	—	—
£94	£68½	Deutsche Bank DM50	£80	+⅛	v22%	—	3.4	—
178	94	English Assoc.	132		15.8	273	3.8	3.0
66	39	First Nat 10p	63	+1½	—	—	—	4.9
5	¼	Do Wrrs. 75-83	1½		—	—	—	—
225	161	Gerrard Natnl.	202	+2	h18.0	—	7.2	—
59	43	Goode D'l Mry.5p	50		1.8	—	2.9	—
208	125	Grindlays	158		4.38	3.0	4.0	12.3
30	39	Guinness Peat	46	+1	B—	—	—	—
140	100	Hambros 5p	115	+5	5.28	—	6.6	—
277	177	Hill Samuel	233	−2	9.1	—	5	—
86½	50	Hong Shng.$2.50	60		t055c	—	7.7	—

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17	......	—	—	—
52	32	Allstate Expln NL	39	+1	—	—	—
48	9	♥Australis Mng. NL	25½	......	—	—	—
25	13	Balmoral Resources	17	......	—	—	—
60	37	♥Black Hill Mins.	39	+2	—	—	—
85	51	♥Bond Corp.	66½	+½	010c	♦	9.7
183	116	♥Bougainville 1 Kina	144	+2	mQ3 21	1.2	1.4
372	204	♥CRA 50c	330	......	tQ3c	—	0.6
145	60	♥Carr Boyd 20c	68	......	—	—	—
38	25	♥Central Kalgoorlie	35	......	—	—	—
43	18	♥Central Pacific	27	......	—	—	—
9	2¾	♥Con. Gold Mng Areas	3	......	—	—	—
17	5	♥Coopers Res N.L.	10½	......	—	—	—
255	183	♥Crusader Oil	205	......	—	—	—
10	0	♥Cultus Pac NL	15½	+½	—	—	—
19	7	♥Eagle Corp 10c	14	......	—	—	—
215	96	♥Emperor Mines	168	–2	—	—	—
14	8	♥Endeavour 20c	9½	......	—	—	—
58	17	♥Enterprise Gld Mines	26	+½	—	—	—
010	500	♥GM Kalgoorlie 25c	590	......	hQ10c	♦	1.8
24	6	Grt. Eastern Mines	14	......	—	—	—
17	9½	♥Great Victoria Gold	10	......	—	—	—
32	15½	♥Haoma NW	19	–2	—	—	—
92	18	♥Hill Minerals N.L.	34	......	—	—	—
41	13	♥Initi Minmg.	18	......	—	—	—
20	5	♥Ivanhoe Gld. N L	9	......	—	—	—
100	25	♥Jingellic Minerals	54	......	—	—	—
42	17	♥Kaltara Min 20c	18	......	—	—	—
20	9	♥Keywest Expl	18	......	—	—	—
134	54	♥Kitchener NL 25c	90	......	—	—	—
180	78	♥Meekatharra 25c	90	......	—	—	—
58	24	♥Metals Ex 50c	47	+1	—	—	—
52	23	♥Metramar Mns 20c	31	......	—	—	—
279	217	♥MIM Hldgs 50c	218	......	Q5c	♦	1.4
15	5	♥Mincorp 20c	12½	......	—	—	—
0	3	♥Minefields Expl 25c	3½	......	—	—	—
46	23	♥Newmetal 20c	36	......	—	—	—
207	128	♥North B Hill 50c	184	+2	Q8c	♦	2.7
90	38	Nth. Kalgurli	63	......	—	—	—
86	58	♥Oakbridge 50c	63	+1	Q7c	1.7	6.7
57	23	Otter Expln NL	35	......	—	—	—
78	46	♥Pacific Copper	77	......	—	—	—
150	64	♥Pancont'l 25c	86	......	—	—	—
9½	4	Pan Pacific Pets NL	8½	......	—	—	—
74	35	Paranga Mng & Expln 5p	64	......	—	—	—
476	324	♥Peko-Wallsend 50c	404	......	Q5c	♦	0.8
11	6	♥Pelsart Res NL	8	......	—	—	—
298	172	♥Renison 50c	220	......	Q10c	0.1	2.6
270	135	♥Do Deld	205	–3	—	—	—
83	20	Samantha Explor NL	51½	......	—	—	—
52	12	Samson Explor NL	32	......	—	—	—
74	52	♥Seltrust 50c	60	......	—	—	—
58	24	♥Sons of Gwalia N.L	44	–2	—	—	—
27	11	♥Sthn. Goldfields	16	......	—	—	—
19	7	♥Southern Pacific	12	......	—	—	—
14	6	♥Southern Ventures 25c	8	......	♦	—	—
50	17	♥Swan Res 20c	22	......	—	—	—
58	39	♥United Goldfields	42	......	—	—	—
24	5	♥West Coast 25c	11½	......	—	—	—
38	14	♥Western Cont. 50c	16	......	—	—	—
273	168	Westn. Mining 50c	219	–1	Q2c	7.6	0.6
200	55	♥Whim Creek 20c	142	......	—	—	—
25½	8	♥York Resources	22	......	—	—	—

Tins

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
245	175	Ayer Hitam SM1	200	......	tQ95c	1.0	‡
150	83	Geevor	125	......	—	—	—
18	10½	Gold & Base 12½p	11	......	—	—	—
435	290	Gopeng Cons.	410	......	♦28.0	1.4	7.0
600	525	Hongkong	575	......	21.0	♦	5.2
21	13	Jantar 12½p	16	......	1.5	0.2	13.4
270	100	Kamunting SM0.50	215	......	tvQ27½c	8.8	3.6
96	56	Malaysia Mng. 10c	68	......	vQ11c	0.9	4.7
57	28	♥Pahang	46	......	—	—	—
500	325	Pengkalen 10p	500	......	1.0	—	0.3
330	225	Petaling SM1	290xd	......	tvQ70c	1.3	6.9
250	185	Sungei Besi SM1	205	......	‡vQ185c	1.1	‡
55	40	♥Supreme Corp MS1	50	......	vhQ3½c	♦	2.2
120	93	Tanjong 15p	115	......	g3.5	—	4.3
145	60	♥Tongkah H. Tin SM1	120	......	vQ5c	1.3	1.2
300	190	Tronoh SM1	250	......	vQ90c	1.1	10.2

Miscellaneous

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
170	40	Admiral Mines	40	–12	—	—	—
90	34	♥Anglo-Dominion	80	......	—	—	—
93	54	♥Anglo Utd. Dev.	67	–6	—	—	—
172	60	♥Colby Res Corp.	140	......	—	—	—
530	315	Cons. Murch. 10c.	460	......	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	206	–6	3.75	2.1	2.4
215	103	♥Highwood Res	180	–15	—	—	—
£24½	£18	Homestake Mining $1	£18⅛	–⅛	Q20c	—	0.7
495	305	Northgate C$1	305	–15	—	—	—
672	437	R.T.Z.	568	+20	t17.0	2.9	4.3
£147½	£108	Do 9½% Cu.Ln. '95-2000	£127	+3	Q9½%	32.5	7.7
190	15	♥Sabina Inds C$1	75	–5	—	—	—
		For Southwest Res see Oil & Gas					
750	312	♥Tara Expln $1	650	+25	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast Dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated Dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net Dividend and yield. B Preference Dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p.	62	......	Fin. 13% 97/02	£95½	......
Bdg'wtr. Est. 50p	288	......	Alliance Gas	78	......
Craig & Rose £1	£10½	......	Arnott	285	......
Finlay Pkg. 5p	37	......	Carroll (P.J.)	102	......
Higsons Brew	85	......	Concrete Prods.	75	......
Holt (Jos) 25p	900	......	Heiton (Hldgs.)	14	......
I.O.M. Stm. £1	130	......	Irish Ropes	34	......
IRISH			Jacob	81	......
			T.M.G.	85	......
Nat. 9¾% 84/89	£88	......	Unidare	74	......

For Graig see Shipping
For Pearce (C. H.) see Buildings

OPTIONS

3-month Call Rates

Industrials		House of Fraser	20	Utd. Drapery	22
Allied-Lyons	13	I.C.I.	45	Vickers	12
BOC Grp.	20	"Imps"	11	Woolworth Hld.	30
B.S.R.	28	I.C.L.	7		
Babcock	18	Ladbroke	22	**Property**	
Barclays Bank	45	Legal & Gen.	45	Brit. Land	8½
Beecham	32	Lex Service	32	Cap. Counties	14
Blue Circle	45	Lloyds Bank	48	Land Sec.	28
Boots	16	"Lofs"	4	MEPC	20
Bowaters	22	London Brick	18	Peachey	16
Brit. Aerospace	15	Lucas Inds.	13	Samuel Props.	12
B.A.T.	14	"Mams"	14	Town & City	4
Brown (J.)	3½	Marks & Spncr	20		
Burton Ord.	35	Midland Bank	40	**Oils**	
Cadburys	13	N.E.I.	10	Brit. Petroleum	38
Courtaulds	10	Nat. West. Bank	55	Burmah Oil	17
Debenhams	18	P & O Dfd	21	Charterhall	9
Distillers	20	Plessey	19	KCA	6
Dunlop	6	Racal Elect.	20	Premier	6
Eagle Star	45	R.H.M.	7	Shell	55
F.N.F.C.	5½	Rank Org. Ord	78	Tricentrol	22
Gen. Accident	42	Reed Intnl	32	Ultramar	65
Gen. Electric	18	Spears	8		
Glaxo	75	T.I.	13	**Mines**	
Grand Met	38	Tesco	17	Charter Cons.	28
G.U.S. 'A'	50	Thorn EMI	55	Cons. Gold	58
Guardian	45	Trusthouse	16	Lonrho	9
G.K.N.	16	Turner & Newall	7	Rio T. Zinc	62
Hawker Sidd.	20	Unilever	78		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 39

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

FT LAW REPORT

Damages assessed to take account of tax

SHOVE v DOWNS SURGICAL PLC

Queen's Bench Division: Mr Justice Sheen: July 29, 1983

TAX PAYABLE on damages is a factor to be taken into account by the court when awarding damages to an employee for breach of his contract of employment; and he should be awarded such sum as would leave him, after tax, with the net compensation due to him for any financial loss he has suffered or is likely to suffer as a result of the breach.

Mr Justice Sheen so held when assessing the damages to which Mr Norman Shove was entitled from his employer, Downs Surgical PLC (the company), for breach of his contract of employment.

HIS LORDSHIP said that Mr Shove started with the Downs Group in 1937. In July 1982, when he was chairman and managing director of the company, he became ill and was admitted to hospital for coronary by-pass surgery.

On September 7, when convalescing at home, he was handed a letter from the company, repudiating his contract of employment. The letter stated that if he were not prepared to make a "dignified exit on the grounds of ill-health," the company would break his contract.

At that time, the notice to which Mr Shove was entitled would have taken his employment up to the end of March 1985. He claimed damages from the company for breach of contract. He was entitled to recover such sum as would make good to him the financial loss he had suffered and probably would suffer as a result of the wrongful termination of his contract.

The common law principle applicable in the assessment of damages was that a plantiff was "to be placed in the same situation with respect to damages as if the contract had been performed" (Robinson v Harman (1848) I Exch 850, 855).

In British Transport Commision v Gourley (1956) AC 185 Lord Reid said that in assessing damages "a loss which the plaintiff has suffered ... may be taken into account ... It has sometimes been said that tax liability should not be taken into account ... That appears to me to be a wrong approach."

In Gourley, the damages awarded were not subject to diminution by taxation in the hands of the plaintiff. In the present case, the damages to which Mr Shove was entitled would be taxable in his hands.

That had given rise to much debate as to the correct principle to be applied. One view was that because the income of which Mr Shove had been deprived and the damages he would receive were both taxable, the court should ignore taxation altogether.

The other view was that the court should start by estimating the net amount which would have been received by Mr Shove after deduction of tax from his gross income. That net amount would represent as realistically as possible his actual loss. Then the court should have taken into account his liability to tax on the damages so that the net amount received equalled, as far as possible, the net or actual loss suffered.

That was the approach adopted by the Outer House in Stewart v Glentaggart (1963) SLT 119.

If a plaintiff's liability to pay taxes was something which the law did not regard as too remote in assessing a plaintiff's actual loss, then by parity of reasoning his liability to pay tax should not be regarded as too remote when assessing the sum to compensate him for his loss.

That appeared to be the view of Lord Reid in Taylor v O'Connor (1971) AC 129 where he said that Gourley "instructs us that we must see what the plaintiff really lost taking account of taxation. There, damages had to be reduced if taxation was taken into account. Here, they have to be increased."

Mr Shove claimed damages for distress. There was no doubt that he suffered distress, but that part of his claim must fail on the authority of Addis v Gramophone (1906) AC 488. There Lord Loreburn LC said at page 491: "If there be a dismissal without notice, the ... indemnity cannot include compensation for the injured feelings of the servant."

In estimating Mr Shove's liability to income tax, one of the factors affecting the amount of tax payable was the number of nights spent abroad in the course of his employment, provided that he spent not less than 30 nights abroad.

It was probable that he would have received £53,000 during the relevant 2½ years, after deduction of tax, national insurance and his pension contribution.

The subscription paid to Bupa on his behalf would have been worth £700, and it would cost him £6,600 to provide himself with the benefit of life insurance of which he had been deprived. He was entitled to the equivalent in money.

Also, he had been provided with a Daimler car for business and private use. The private use had been not more than 5,000 miles a year. Compensation should be assessed on that basis.

During the 2½ years he would have been taxed on £2,680, which was laid down by statute as representing the benefit to the taxpayer of the private use of a company car. That figure did not afford any useful guide to the actual loss suffered.

The contract expressly provided that he should have a Daimler. If his employment had continued until the end of March 1985, he would have had the benefit of a Daimler throughout that period. That was what he had lost.

There were several different ways in which that loss could be assessed. One was to take the cost of buying a one-year-old Daimler and assessing the cost of running it for 2½ years.

It was impossible to make an exact calculation, but on the evidence, and taking account of running costs including petrol and oil, that loss was assessed at £10,000.

A plaintiff had a duty to mitigate his loss. Mr Shove had done so. He was more than 67 years old when his employment was terminated, yet he took active steps to create a consultancy partnership. He expected to make a loss this year, but to break even next year, and to make a profit the year after.

The evidence on that aspect was tenuous, and the court could do no more than hazard the view that justice would be done between the parties if Mr Shove were held to have mitigated his loss to the extent of £5,000 over the relevant period.

The compensation to which Mr Shove was entitled was (1) loss of net salary – £53,000; (2) Bupa subscription £700; (3) cost of life insurance – £6,600; (4) loss of use of car – £10,000. That made a total of £70,300, against which must be set off £5,000 mitigation, leaving a net loss of £65,300.

It was agreed between the parties that there should be a deduction of 7 per cent to reflect the fact that he would receive early payment. After that deduction, the net compensation due to him was £60,729.

In order to leave Mr Shove with £60,729 after tax, he must be awarded damages of £83,477.

Also, he was entitled to £553 accrued holiday pay. That was money due under his contract of employment and was not compensation for breach of contract.

Judgement for Mr Shove for £84,030.

For Mr Shove: Philip Naughton (Row & Maw)

For the company: Genevra Caws (Travers Smith Braithwaite & Co).

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	233.44		----	—
Managed Inv. Fd.	157.35	165.64	----	—
Property Fd.	151.07	159.03	----	—
Fixed Interest Fd.	147.14	154.89	----	—
Cash Fd.	135.95	143.11	----	—
Income Fd.	171.47	180.50	----	—
Extra Income Fd.	162.17	170.71	----	—
Worldwide Growth Fd.	231.62	243.85	----	—
Balanced Fd.	172.42	181.50	----	—
Smlr Co's & Recy. Fd	203.25	213.95	----	—
Int. Technology Fd	210.77	285.24	----	—
Nth. Amer. & Gen. Fd.	160.18	179.14	----	—
Energy Int. Fd.	107.69	113.36	----	—
Pacific Basin Fund	132.41	139.38	----	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.0	117.9	----	—
Property	106.0	111.5	----	—
Equity	113.5	119.5	----	—
International	128.6	135.4	----	—
Fixed Interest	101.5	106.8	----	—
Deposit	99.2	104.4	----	—
Managed Pen. Cap.	112.6	118.6	----	—
Property Pens. Cap.	104.6	110.1	----	—
Equity Pens. Cap.	107.8	113.5	----	—
Intnl. Pens. Cap.	134.9	142.0	----	—
Fixed Int. Pens. Cap.	99.2	104.4	----	—
Deposit Pens. Cap.	97.2	102.3	----	—

Cannda Life Group
2-6, High St., Potters Bar, Herts. P Bar 51122

Equity Gth Sept 29	94.5		----	—
Rtmt. Fed Aug 6	255.4		----	—
Managed Pen Fund	177.8	186.3	----	—
Property Pen Fund	114.8	120.0	----	—
Index Linkd Pen Fund	111.6	117.4	----	—
Managed	118.6	124.9	+0.5	—
Property	104.0	109.5	----	—
Gilt and Fixed Interest	105.4	111.0	+0.8	—
Index-Linked	98.3	103.3	----	—
Equity	116.3	122.3	+1.1	—
Cash	103.5	109.0	----	—
Midland Bk. Unit Tst.	115.4	121.5	+0.3	—
Midland Bank Intnl.	137.1	144.4	-0.3	—

Cannon Assurance Ltd.

[illegible]

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	122.9	129.4	+0.3	—
GT Pln High Yld Fnd	112.6	118.6	----	—
GT Plan Far East Fnd	111.1	117.0	----	—
GT Plan N. Am Fd	136.8	144.1	----	—
GT Pln UK&G.E. Fnd	125.1	131.7	-0.1	—
GT Pln Wrldwde Fnd.	132.9	139.9	----	—
GT Pension Bnd Fnd.	132.8	139.8	+0.7	—
GT Pen High Yld Fd	127.4	134.2	----	—
GT Pen Far East Fd	134.4	141.5	----	—
GT Pen N. Am. Fd.	198.5	209.0	----	—
GT Pen UK & G.E. Fd.	145.2	152.9	----	—
GT Pen Worldwide Fd.	141.4	148.9	----	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0233

Intl. Managed Bond	166.9	175.7	----	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	247.0	-2.3	----	—
Portfolio Fd. Init.	204.2		----	—
Portfolio Fd. Cap.	235.8		----	—
Investment A/cs.	246.9	260.0	----	—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	267.0	281.3	-4.7	—
Money Fd	155.2	163.4	+0.2	—
Equity Fd.	224.8	234.9	-7.7	—
Fixed Int. Fd.	116.8	122.2	-0.6	—
Property Fd	171.0	180.2	----	—
Managed Pen. Fd	245.3	258.5	----	—
Equity Pension Fd	182.6	192.4	----	—
Fixed Int. Pen. Fd	162.9	171.7	----	—
High Yield Pen. Fd	161.0	169.6	----	—
Money Pension Fd	127.1	134.5	----	—
Property Pension Fd	126.9	133.7	----	—

Gresham/Framlington

American & Gen. Fd.	258.0	272.8	-4.2	—
Income Fd	176.0	185.9	-0.5	—
Int'l. Growth Fd	268.1	282.5	-5.2	—
Capital Fund	186.5	196.5	-1.2	—
Recovery Fund	142.4	150.1	-1.5	—

Growth & Sec. Life Ass. Soc. Ltd.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

COMMODITIES AND AGRICULTURE

Milk Boards attack EEC dairy surplus plans

BY JOHN EDWARDS, COMMODITIES EDITOR

EEC Commission proposals to cut the growing dairy surplus in the Community are totally unacceptable and will be fiercely resisted, the Federation of UK Milk Marketing Boards said in a strongly worded statement yesterday.

The statement says that the Milk Marketing Boards, which represent farmers throughout the UK, are convinced that the commission's assessment is unnecessarily alarmist.

It is based, according to the Milk Boards, on an exaggerated view of the degree of price changes needed to restore supply-demand balance to the market.

They "totally reject" the commission's claim that in the absence of a production quota scheme, a redneed in support prices of as much 12 per cent would be necessary. The commission should produce a detailed justification of this "extraordinary claim," the statement adds.

There must be a suspicion that the commission's proposals have been deliberately phrased in extravagant terms to induce panic among milk producers, the statement claims. But, it goes on, the Milk Marketing Boards will not be panicked.

The statement concludes that there is ample scope for improving the sale of butter by a sensible balance of price constraints and the adoption of a tax on competing fats and oils.

The ontburst by the Milk Marketing Boards implies a distinct rift with the National Farmers Union, which earlier this week put forward proposals for controlling milk production by the use of national quotas. The Milk Boards' backing for the tax on fats and oils is also directly opposed to the views of the Government and the Food Manufacturers Federation, both of which are strongly against the planned tax.

The Food Manufacturers Federation yesterday claimed that the planned tax nn fats and oils could add £75m a year to consumers food hills in the UK. It would raise the cost of a wide range of processed foods and not necessarily ebnefit sales of dairy products much.

The federation noted that many modern uses of fats and oils were simply not substitutable by dairy fats. So in reality the proposed tax was simply a revenue-raising measure to holp finance the Common Agricultural Policy. It was a "vindictive" measure aimed at covering the shortcoming in the dairy sector.

The federation said that attempts to control dairy production by means of levies were "nnsatisfactory and inadequate." Inevitably, the consumer bore the costs and this resulted in declining demand.

The federation said the current background of EEC surpluses, pressures on the budget and dobate on future financing is an ideal setting for the long overdue reform of the Common Agricultural Policy. "It is, therefore, disappointing to see in the commission proposals nothing other than a package of emergency measures designed to curb agricultural expenditure and raise revenue."

Temporary drop in price of large eggs

By Barbara Dalzell

PRICES for large eggs will fall by 3p a dozen next week and are likoly to stay down for another two to three weeks.

The reduced prices reflect several factors. Production is back to normal after being depressed during the bot summer weather. Hens which went through an induced moult in June and July are now back in production, and this has boosted the number of eggs available. Finally, the 20,000 cases of eggs from tho Netharlands came onto the market.

By the end of November, egg prices are likely to be climbing again as the imported eggs come off tho market and seasonal demand increases.

● SOYABEAN... futures ...continued to decline sharply yesterday in early dealings on the Chicago Board of Trade. The availability of plentiful supplies as harvesting of tho crop gets under way in the U.S. has put pressure on tho markets triffering off speculative selling in soyabeans, meal and oil. In London the December position on the soyabean meal futures market dropped to £180.50 a tonne, £5.65 down on the previous day.

● VOLUME AT the Chicago Board of Trado has surpassed the 50m contracts changing hands mark—a first for any futures exchange.

● THE COMMODITY Futures Trading Commission has proposed rules permitting trading of options on domestic agricultural commodities on designated boards of trade.

● SOVIET grain output in 1983 will approach 200m tonnes, says Deputy Prime Ministers Ivan Arkhipov. U.S. statistics put last year's Soviet grain output at 170m tonnes.

Rise in European zinc producer price

BY JOHN EDWARDS, COMMODITIES EDITOR

A RISE in the European zinc producer price from $880 to $935 a tonne was announced by Noranda in Canada last night.

The price increase was slightly bigger than expected—the market had been anticipating a rise to the $915 level indicated by Billiton earlier this week.

As a result zinc values on the London Metal Exchange yesterday recovered earlier losses and climbed back in after-hours dealings to the nine-year highs reached on Wednesday. Threo months zinc closed £6.5 down at £599.25 a tonne, but moved to £605 in loter dealings.

Noranda's move is almost certain to be followed by other producers, although there may be some doubt as to whether a rise to $935 can be sustained in Europe where demand remains somewhat sluggish.

The early decline in zinc and general decline in nther base metal prices on the London Metal Exchange, reflected the easier trend in gold and a sharp drop in silver.

The London bullion spot price for silver was cut at the morning fixing by 28.7p to 634.85p a troy ounce—the lowest level since last December and a fall of some 150p in the past month. The market eased to 632p in afternoon trading.

Speculative selling in New York is mainly responsible for the continued decline in silver prices. Warehouse stocks there are at record levels suggesting that demand is far from good and another depressing influence is the break in gold below $400—it was $1.25 down yesterday at $393.125 an ounce, after dipping to $388 at one stage.

Copper also came under renewed pressure yesterday. The three months higher grade quotation closed £5.25 down at £985.5 a tonne, and Asarco in the U.S. cut its domestic selling price by 2 cents to 68 cents a lb.

Plea for food for Africa

BY JAMES BUXTON IN ROME

AID DONORS have pledged only a small proportion of food desperately needed by African countries worst hit by the critical food shortago on the continent, and doliveries have fallen short of pledges, says Mr Edward Saouma, director-general of the UN Food and Agriculture Organisation (FAO).

Mr Saouma warned that a "significant proportion" of the 150m people living in the 22 worst-affected countries may face hunger and malnutrition "on a massive scale."

In the 22 countries in Southern, Western and Eastern Africa, an already bad food supply situation, due to the "already weak agriculture production patterns" has been worsened by: Prolonged drought for the second or third growing season; below normal rainfall or interrupted rains; exceptionally heavy crop infestation; outbreaks of rinderpest and other animal diseases; and lack of production inputs.

In some countries natural problems had been compounded by the refugee movement, civil disturbances and unsettled rural security.

The countries involved need 3.2m tonnes of food aid to supplement the 1.8m tonnes they will import commercially. Of this 3.2m tonnes only 19 per cent has been pledged by aid donors and less than that delivered.

Good long term prospects for UK pig industry

By Our Commodities Staff

BRITAIN'S PIG producers have little hope of improvements in their depressed industry for at least eight months, but long-term prospects are good, says Mr David Samworth, chairman of tho Meat and Livestock Commission.

Pig farmers have been losing money for months on every animal sold.

"But I believe that for producers who have the resources, faith and resilience to endure the present recession there are better times ahead," said Mr Samworth.

"The industry has a lot going for it: Pig meat prices are competitive, product quality is high and there are indications that demand will imurove."

He noted the sweeping changes in the pattern of British pig production.

"Twenty years ago there were 120,000 holdings in Britain. Today there are 20,000 and the average unit has increased from 50 to 350 pigs."

Farmers take a fresh look at overproduction realities

OLD ATTITUDES die hard. British farmers were convinced for years that most European dairy farmors were small-scalo peasants whoso means of production were so inefficient that they would givo way to tho streamlined output of Britain's large-scalo dairy units. They believed that European methods were the main cause of the EEC's massive milk surpluses.

They also believed that because Britain is still abont 20 per eent deficiont in dairy products that thoy had the right to fill that gap.

But at last it seoms that they —or some of their leaders—have seen tho light. Tho NFU has announced that it would be prepared to accept a form of price limitation on UK ootput in common with national measures to control production in all other member countries.

This would spread tho price disincentivo among all farmers, not just on those individuals increasing production.

The plan, if it comes into effect, will do nothing to reduce prodnction. In fact an attonnated levy might well stimulste it.

What moved the NFU into action was a combination of the threat of levies attacking overproducers and a belated recognition of the realities of the structure of European dairy farming. There is a majority of small farmers producing milk in Europe but they are not tho culprits in overproduction.

FARMER'S VIEWPOINT: By John Cherrington

In 1981 there were 1,760,000 Community dairy farmers, of whom 54 per cent owned fewer than 10 cows. These herd sizes would all be unviablo in British terms and a good target for such nostrums as income aids to persuado them to give np their operations. This would mean that 995,000 dairy farmers would have to be paid off or directed to some other employment.

But their going would probably not save tho Community much money. They own only 14.8 per cent of the Community's cows and the present surplus is more than 20 per cent abovo commercial demand. Even if al the 3.7m cows were removed these would still be a sizeable surplus.

Nor are these cows very productive cows—2.5m of them are in France, Italy and Ireland whore average annual milk yields are 3,450 kilos, compared with Britain, the Notherlands and Denmark whare yields hover around the 5,000 kilo mark. Another million cows in this category are in Germany, whore yields average 4,500 kilos.

Many owners of these marginal herds are part time farmers who would not he much affected by changes in the milk price.

In Britain whore the average herd is now just under 60 cows, farmors would be far more vulnerable to price constraints.

The commission's proposal to impose a 75 per cent levy on all prodnction abovo 1981 plus 1 per cent, plus a special levy on heavy compound users, would hit the so-called progressive dairy farmers very hard.

For years they have been taught to reduce their unit costs by increasing production per cow and per acre. They now face declining price levels.

A national standard quantity which most of them favour could encourage increasing production initially but as its effects bit deeply, many weaker operators might give np. This has led to some demand—not yot overwhelming—for quotas on individual farms.

In the early 60s, the Government stopped the open-ended guarantee of milk and requested the NFU to agree to quotas on individual farms. The larger farmers objected, as did the milk board which wanted to keep up its throughput, so a standard quantity system was applied instead.

Farmers who could not expand to meet the shrinking average price gave np milk. Whore there were 150,000 UK milk producers, then, then are now 50,000. It is possible that individual farm quotas will be demanded more firmly this time.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 20 1983	+ or —	Month ago
Metals			
Aluminium	£1060		£1060

	Oct. 20 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$867.5x	-12.5	$988

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES lost ground on the London Metal Exchange although Zinc was finally qeoted at £605 on the late Kerb—the day's highest level—following news that Canada's Noranda has increased its producer price to US$935 a tonne. Copper fell sharply early in the day and touched £979 as stop-loss selling followed the poor performance in overnight U.S. markets by gold and silver. However, short covering and steadier precious metals prices prompted a minor recovery to £986 at the close. Other metals moved similarly with Aluminium finally £1,072.25, Nickel £3,227.5 and Lead £294. Tin values were sustained by buffer stock support.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	962.5-3.5	-6.75	961-2	-4.25
3 months	987-.5	-7	985-6	-5.25
Settlem't	963.5	-6.5	—	—
Cathodes				
Cash	940-.5	-6.25	937-8	-5.5
3 months	964.5-5	-6.75	962.5-3	-5.75
Settlem't	940.0	-6.5	—	
U.S. prod	—	—	*71.5-5	—

ralian cents per kg. Oct 545.0, 548.0, 547.0-545.0; Dec 559.5, 562.0, 563.0-560.0; March 580.6, 581.0, 581.5-580.5; May 590.0, 592.0, 594.0-592.0; July 603.0, 605.0, 606.0-605.0; Oct 598.0, 602.0, 602.0-600.0; Dec 607.0, 610.0, 612.0-610.0; March 620.0, 628.0, u/t. Sales: 177.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 410 buyer only, nil; Dec 416, 417, 418-415; Jan 415, 417, 418-416; March 418, 420, 421-419; May 424, 426, 428-424; Aug 440, 442, 442-441; Oct 444, 445, 445-444; Dec 447, 448, 447; Jan 448, 451, nil; March 456, 460, nil. Sales: 199.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3163-4	-22	3154-7	-42.5
3 months	3230-40	-27.5	3227-30	-44

Nickel — Morning: Three months £3,250, 45, 38, 20. Kerb: Three months £3,230. Afternoon: Three months £3,230, 25, 30. Kerb: Three months £3,230, 35, 30. Turnover: 888 tonnes.

GRAINS

Business done—Wheat: Nov 121.85-1.25, Jan 127.80-4.45, March 127.90-7.55, May 130.85-30.45, July 133.45 only. Sept untraded. Sales: 582 lots of 100 tonnes. Barley: Nov 117.15-7.05.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 162 tonnes. Fair operations with attention centred on Russian and Turkish supplies. Certain African qualities were wanted and demand was about in forward delivery.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct	247.25	-3.00	248.75-47.00
Nov	250.75	-4.00	253.25-50.50
Dec	251.70	-4.75	254.75-51.50
Jan	252.00	-4.50	255.00-52.00
Feb	248.00	-5.00	252.00-48.00
Mar	246.75	-3.25	247.00-46.75
April	243.75	-1.25	244.50-43.25
May	242.00	-1.50	242.00
June	242.00	-1.50	242.00

Turnover: 461 (641) lots of 100 troy ounces.

LONDON OIL SPOT PRICES

	Latest	Change + or —
African(Bonny Li'ht)	29.85-30.05	—

PRODUCTS—North West Europe CIF ($ per tonne)

Premium gasoline	290-294	—
Gas oil	251-257	-0.5
Heavy fuel oil	170-175	+0.5

GOLD MARKETS

Gold fell $1¼ to $392¾-393¼ on the London bullion market yesterday. It opened at $388¾-389¼, and was fixed at $390 in the morning, and $389¾ in the afternoon. The motal touched a peak of $393¾-394, and fell to a low of $388¾-389.

In Paris the 12½ kilo gold bar was fixed at FFr 100,050 per kilo ($392.81 per ounce) in the afternoon, compared with FFr 100,050 ($392.85) in the morning, and FFr 101,100 ($396.88) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,535 per kilo ($390.50 per ounce), against DM 32,880 ($394.76), and closed at $392¾-393¼, compared with $393¾-394¼.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $389.85 per ounce, against $393.85.

In Zurich gold finished at $392-395, compared with $393-396.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Oct	390.90-91.0	-3.60	—
Dec	393.40-95.6	-4.05	396.20-91.6
Feb	399.40-00.0	-4.70	398.60-96.6
April	405.70-06.3	-4.55	408.30-06.3
June	412.00-12.5	-4.50	—
Aug	419.50-20.0	-3.50	—

Turnover: 641 (556) lots of 100 troy ounces.

	Oct. 20		Oct. 19	
Gold Bullion (fine ounce)				
Close	$392¾-393¼	(£262-262¼)	$394-394¾	(£262¾-263¼)
Opening	$388¾-389¼	(£259¼-260)	$393¾-394½	(£262½-267)
Morning fixing	$390	(£260.173)	$393.60	(£262.888)
Afternoon fixing	$389.75	(£259.868)	$394	(£262.754)

Gold Coins Oct. 20

Krugrnd	$404¼-404¾	(£269¾-270)	King Sov	$95-94⅛	(£62-63)
½ Krg	$208¼-209¼	(£130-139½)	Victoria Sov	$93-94⅛	(£62-63)
¼ Krg	$106¼-107¼	(£70¾-71½)	French 20s	$78¾-80½	(£52½-53¾)
1/10 Krug	$43¼-44	(£28¾-29¼)	50 pesos Mex	$476-477	(£316½-318½)
Mapleleaf	$404-404¾	(£269½-270)	100 Cor. Aust	$383-389	(£256½-259¼)
New Sov	$99¼-93	(£61½-62)	$20 Eagles	$570-585	(£383½-390¼)
½ New Sov	$55¼-56	(£36¾-37¼)			

EUROPEAN MARKETS

AMERICAN MARKETS

NEW YORK, October 20.

The gold and silver markets' failure to take out lows early in the session along with a strong rebound in currencies attracted strong, late buying interest which rallied gold, while silver settled marginally down on the day. ... West African growing regions remained dry. Coffee continued to attract light speculative buying on concerns over the lack of deliverable supplies. Cotton came under light selling pressure from profit-taking on forecasts of drier weather. Grains and soyabeans finished sharply lower on ...

March	1091.1	1077.0	1056.0	1101.9

● CHRISTMAS turkey will be cheaper than last year, according to Buxted poultry.

● MORE THAN 359,200 acres of rice were damaged by heavy rain and floods in Thailand.

● THE Australian Wool Corporation continued buying large amounts of wool to maintain the floor price. AWC support has topped 50 per cent at some auctions this week.

● JAMAICA has launched an agricultural reform programme aimed at earning $766m in export sales in the next four years. It will be based on better land utilisation.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling steady

The dollar showed little overall change yesterday in a market suffering from an absence of fresh factors to stimulate movement. Both the dollar and sterling were confined to very narrow ranges with Euro-dollar and UK domestic interest rates virtually unchanged from Wednesday.

DOLLAR — Trade - weighted index (Bank of England) 125.7 against 122.9 six months ago. The dollar has retreated from the peaks touched in August, amid hopes that a sustained fall was imminent, following better money supply figures and a slight easing of interest rates. A large U.S. Budget deficit is likely to restrain the fall in interest rates and the dollar, but downward pressure on the currency will continue due to the substantial trade deficit.

The dollar closed at DM 2.5885 from DM 2.5855 against the D-mark and SwFr 2.1040 from SwFr 2.0985. Against the French franc it rose to FFr 7.91 from FFr 7.9050 but was lower against the yen at Y232.50 from Y232.80.

STERLING—Trading range against the dollar in 1983 is 1.6245 to 1.4540. September average 1.4991. Trade-weighted index 83.3 compared with 83.3 at noon, the opening, and the previous close, and 83.6 six months ago. The pound has tended to move with the dollar recently, although a decline against Continental currencies is probably welcomed. It has also reacted to Middle East tension and its effect on oil supplies, highlighting the pound's status as a petrocurrency.

Sterling closed at 1.4980-1.4990 against the dollar down 20 points from Wednesday's close. Trading was confined to a narrow range of $1.4955-1.5005. Against the D-mark it eased slightly to DM 3.88 from DM 3.8825 and FFr 11.85 compared with FFr 11.86. It was firmer against the Swiss franc however at SwFr 3.1550 from SwFr 3.1525 but slipped to Y348½ from Y349½ against the yen.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. September average 2.6683. Trade-weighted index 127.5 against 129.7 six months ago. The D-mark has improved after falling to its lowest level for nearly 10 years against the dollar in August. As U.S. money supply figures have improved attention has switched towards German money supply growth, which is causing some concern, and encouraging the Bundesbank to keep interest rates firm. This coupled with the strong German economy, is likely to support the D-mark against its EMS partners and the dollar.

The D-mark showed mixed changes at the Frankfurt fixing, losing ground to the dollar and sterling, but improving against the Dutch guilder and Swiss franc. The French franc was also better after the latest French trade figures, rising to DM 32.705 per 100 francs from FFr 32.700. The dollar rose to DM 2.5907 from DM 2.5899 without any intervention by the Bundesbank, and sterling to DM 3.8820 from DM 3.8730.

FRENCH FRANC — Trading range against the dollar in 1983 is 8.22 to 6.6060. September average 8.0571. Trade-weighted index 67.7 against 70.3 six months ago. The French franc is comfortably placed within the EMS, and has received a boost from improving balance of payments figures, and the first trade surplus in September for more than four years. This should help to restrain any pressures building up for an EMS realignment and has allowed an easing of Eurofranc interest rates.

The French franc was the strongest currency in the EMS, apart from the wider ranging Italian lira, following the good French trade figures announced on Wednesday. At the Paris fixing the D-mark fell to FFr 3.0571 from FFr 3.0575; the Dutch guilder to Fl 2.7195 from Fl 2.7214; and the Italian lira to FFr 5.0220 per 100 francs from FFr 5.0265. The dollar weakened to FFr 7.9220 from FFr 7.9280, but sterling rose to FFr 11.8675 from FFr 11.8665.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9650	+2.35	+1.94	±1.5447
Danish Krone ...	8.14104	8.17026	+0.36	−0.05	±1.6425
German D-Mark	2.24184	2.25067	+0.39	−5.02	±1.0642
French Franc ...	6.87456	6.88066	+0.09	−5.32	±1.4052
Dutch Guilder ...	2.52595	2.52944	+0.14	−0.27	±1.4984
Irish Punt	0.72569	0.725654	+0.10	−0.28	±1.6699
Italian Lira	1403.49	1370.16	−2.37	−2.37	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 20	£	$		Note Rates
Argentina Peso	[illegible]	14.59-14.72	Austria	27.20-27.60
Australia Dollar	[illegible]	1.0905-1.0915	Belgium	80.15-80.90
Brazil Cruzeiro	[illegible]	799.0-803.0	Denmark	14.03-14.17
Finland Markka	[illegible]	5.6265-5.5336	France	11.80-11.92
Greek Drachma	[illegible]	96.50-92.80	Germany	3.86½-3.90½
Hong Kong Dollar	[illegible]	7.77-7.78	Italy	2345-2375
Iran Rial	[illegible]	86.60*	Japan	348-353
Kuwait Dinar (KD)	[illegible]	0.28954-0.28991	Netherlands	4.34½-4.38½
Luxembourg Fr.	[illegible]	52.77-58.79	Norway	10.92-11.02
Malaysia Dollar	[illegible]	2.3426-2.344	Portugal	185-203
New Zealand Dlr.	[illegible]	1.5056-1.5076	Spain	219¼-234¼
Saudi Arab. Riyal	[illegible]	3.4799-3.48025	Sweden	11.60-11.70
Singapore Dollar	[illegible]	2.1310-2.1330	Switzerland	3.14-3.17
Sth. African Rand	[illegible]	1.1275-1.1285	United States	1.49¾-1.51
U.A.E. Dirham	[illegible]	3.6720-3.6735	Yugoslavia	188-212

* Selling rates.

CURRENCY RATES

Oct. 20	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.709549	0.579723
U.S. $	8½	1.06333	0.868713
Canadian $	9.48	*	1.06966
Austria Sch	3¾	19.3760	15.8193
Belgian F	9	56.8608	45.9550
Danish Kr.	7½	10.0116	8.17026
D mark	4	3.75477	2.25067
Guilder	5	3.09695	2.52944
French F	9½	8.42376	6.88066
Lira	17	1677.14	1370.16
Yen	5½	247.916	202.107
Norwgn Kr	8	7.78995	6.36454
Spanish Pta	—	160.412	131.150
Swedish Kr	8½	8.26792	6.75459
Swiss Fr	4	2.24012	1.82951
Greek Dr'ch	20½	98.7560	80.6439

*C$/SDR rate for Oct 19: 1.30942.

CURRENCY MOVEMENTS

Oct. 20	Bank of England Index	Morgan Guaranty Changes%
Sterling	83.3	−8.1
U.S. dollar	123.7	+14.6
Canadian dollar	91.9	+1.0
Austrian schilling	118.0	+3.5
Belgian franc	90.8	−11.2
Danish kroner	80.3	−5.0
Deutsche mark	127.3	+8.3
Swiss franc	158.4	+13.3
Guilder	116.5	+5.0
French franc	57.7	−14.4
Lira	49.8	−11.5
Yen	155.0	+16.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

THE POUND SPOT AND FORWARD

Oct 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4955-1.5005	1.4980-1.4990	0.02-0.07c dis	−0.36	0.13-0.18dis	−0.41
Canada	[illegible]	[illegible]	par-0.10c dis	−0.32	0.04-0.14dis	−0.19
Nethlnd.	[illegible]	[illegible]	1½-1c pm	3.44	3½-3¼ pm	3.10
Belgium	[illegible]	[illegible]	6c pm-4 dis	0.15	par-15 dis	−0.25

Belgian rate is for convertible francs. Financial franc 80.45-80.55. Six-month forward dollar 0.21-0.26c dis, 12-month 0.50-0.60c dis.

THE DOLLAR SPOT AND FORWARD

Oct 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4955-1.5005	1.4980-1.4990	0.02-0.07c dis	−0.36	0.13-0.18dis	−0.41
Ireland†	1.1945-1.1980	1.1955-1.1965	0.31-0.27c pm	2.91	0.84-0.79 pm	2.71
Canada	1.2310-1.2318	1.2310-1.2315	0.04-0.02c pm	0.29	0.12-0.09 pm	0.34
Nethlnd.	2.9075-2.9135	2.9075-2.9095	0.92-0.82c pm	3.59	2.82-2.52 pm	3.53
Belgium	52.77-52.95	52.77-52.79	4-3c pm	0.79	4-2 pm	0.23

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.70-53.75.

EXCHANGE CROSS RATES

Oct. 20	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Canadian Dollar	0.548	0.818	2.103	188.9	6.423	1.716	2.363	1281.	1.	45.87
Belgian Franc 100	1.264	1.894	4.905	440.5	14.98	6.989	5.512	2987.	2.362	100.

FINANCIAL FUTURES

Gilts stay firm

The gilt contract finished on a firm note on the London International Financial Futures Exchange yesterday. December delivery opened at 106-12, near the day's low of 106-11, and touched a peak of 106-30, before closing at 106-27, compared with 106-09 on Wednesday. The final UK money supply figures were in line with preliminary estimates, and had no impact on the market, but a firmer trend in the cash market may have encouraged buying interest.

On the other hand the market did not expect any major change in Government policy from yesterday's Cabinet meeting on public expenditure, despite concern at the recent high levels of Government expenditure indicated by this week's figures on the Public Sector Borrowing Requirement. At the same time traders awaited with interest the Chancellor's Mansion House speech last night.

Volume in three-month sterling deposits remained at a low level, reflecting the lack of movement in interest rates on the London money market. December deposits opened and closed at 90.69, the highest level of the day, and touched a low of 90.68, compared with the previous close of 90.70. Cash and futures markets continued in a very quiet vein in anticipation that London clearing bank base rates will stay at the present level for some time, despite recent rumours on the foreign exchanges.

In the Eurodollar pit the December contract closed unchanged at 90.44, the highest level of the day. It opened at the same level, gaining some support from the high level of Federal funds in New York at Wednesday's close, but fell to a low of 90.37 on a higher than expected rise in U.S. Gross National Product in the third quarter.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.44	90.44	90.37	90.44
March	90.09	90.09	90.05	90.10
June	89.80	89.80	89.79	89.81
Sept	89.54	89.54	89.54	89.55
Dec	89.31	89.31	89.31	89.32

Volume 1,786 (1,680)
Previous day's open int 7,438 (7,433)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	72-03	72-12	71-27	72-07
March	71-15	71-24	71-08	71-16
June	70-29	71-06	70-24	71-00
Sept	70-15	70-23	70-09	70-17
Dec	70-03	70-11	69-30	70-05
March	69-25	70-01	69-20	69-27
June	—	—	—	69-16
Sept	69-08	69-11	69-06	69-15

MONEY MARKETS

UK rates steady in very quiet trading

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

UK interest rates showed very little change yesterday in subdued and featureless market. There were probably some inhibitions caused by memories of last year's cut in clearing bank base rates which was quickly followed by two increases. Overnight interbank money opened at 9-9½ per cent and eased to 8¾ per cent after Bank of England assistance in meeting the day's shortage. However late balances were commanding up to 11 per cent.

The Bank of England forecast a shortage of around £400m, with factors affecting the market including maturing assistance and a net take-up of Treasury bills together draining £186m and Exchequer transactions a further £180m. The Bank gave assistance in the morning of £245m, comprising purchases of £6m of eligible bank bills in band 1 (up to 14 days) at 9⅛ per cent, £70m in band 2 (15-33 days) at 9 per cent, £90m in band 3 (34-63 days) at 8⅞ per cent and £79m in band 4 (64-91 days) at 8¾ per cent. In the afternoon it gave further assistance of £135m, making a grand total of £380m. The afternoon help comprised purchases of £25m of eligible bank bills in band 1 at 9⅛ per cent and £43m in band 2 at 9 per cent.

In New York the Federal Reserve bank entered the money market to add reserves through four-day repurchase agreements. Fed funds were trading at 9⅜ per cent at the time. Trading tended to be on the quiet side in the absence of any real investment demand.

In Paris call money remained at 12¼ per cent after the Bank of France intervened to add about FFr 12bn in liquidity to the money market.

LONDON MONEY RATES

Oct. 20 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8¾-11	9-9⅛	—	—	9⅛-9⅜	8¾-9⅛	—	—	—
2 days notice	—	—	8⅞-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9¼-9⅜	—	—	—	—
7 days notice	—	9⅟₁₆-9⅟₁₆	9-9⅛	—	—	—	9-9⅛	—	—	—
One month	9¼-9⅛	9⅟₁₆-9¼	9⅛-9⅟₁₆	9¾-9⅛	9⅟₁₆	9⅜-9⅛	9	9⅟₃₂	9⅟₃₂	9⅟₃₂
Two months	9¼-9⅛	9¼-9⅟₁₆	9¼	9¾-9⅛	9¼	9⅛	9	8⅟₃₂	8⅟₁₆	9⅟₁₆
Three months	9⅟₃₂-9⅟₁₆	9⅟₁₆-9⅜	9¼-9⅟₁₆	9⅜-9⅛	9⅟₁₆	9⅜	9	8⅟₃₂	8⅟₃₂	9⅟₁₆
Six months	9⅟₁₆-9¼	9⅟₁₆-9⅛	8⅟₁₆	8⅛-9¼	9⅛	—	—	—	8⅟₃₂-8⅟₁₆	9⅟₃₂
Nine months	9½-9⅛	9⅜-9¾	9⅜	10-9¾	9¾	—	—	—	—	—
One year	9½-9⅟₁₆	9¾-9⅞	9⅜-0¾	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	10¼-10⅜	[illegible]	[illegible]	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4, 1983 (inclusive) 9.712 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10¾-10⅞ per cent; four years 10⅞-11 per cent; five years 10⅞-11 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four months bank bills 9⅟₃₂ per cent; four months trade bills 9⅟₃₂ per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8⅟₃₂ per cent and three months 8⅟₃₂ per cent. Approximate selling rate for one-month bank bills 9⅟₃₂ per cent; two months 8⅟₃₂ per cent and three months 8⅟₃₂ per cent; trade bills 9⅟₃₂ per cent; two months [illegible] per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from October 1, 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice 5¾ per cent.

Treasury Bills: Average tender rates of discount 8.8582 per cent. Certificates of Tax Deposit (Series 5). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 20	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9⅛-9⅟₁₆	9⅟₁₆-9⅟₁₆	9⅟₁₆-9⅟₁₆	9⅟₁₆-9⅟₁₆	9⅟₁₆-9⅟₁₆	9⅟₁₆-9⅟₁₆
U.S. Dollar	9¼-9⅜	9¼-9⅜	5⅞-9⅝	9⅟₁₆-5⅟₁₆	9⅟₁₆-9⅟₁₆	9⅞-10⅛
Can. Dollar	8¾-9¼	8¾-9¼	9-9¼	9⅛-9⅜	9⅟₁₆-9⅟₁₆	9⅝-9⅞
D. Guilder	5⅞-6	5⅛-6	5⅟₁₆-5⅟₁₆	6-6⅛	6⅟₁₆-6⅟₁₆	[illegible]

CONTRACTS AND TENDERS

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday October 19 1983. The exchange rates listed middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., EMEA London
Eurodollar Libor as of October 19 at 11.00 am
3 months: 9⅝. 6 months: 9¾.

SDR1=U.S.$1.06306.
Sibor as of October 18 at 11 a.m.
3 months: 9⅝. 6 months: 9⅞.

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60	Grenada	E. Caribbean $	3.70	Peru	Sol	8083.87
Albania	Lek	6.7504	Guadaloupe	Franc	7.9215	Philippines	Peso (4)	13.985
Algeria	Dinar	4.813	Guam	U.S. $	1.00	Pitcairn Is.	N.Z. Dollar	1.5082
Andorra	Fr. Franc / Sp. Peseta	7.9215 / 165.87	Guatemala	Quetzal	1.00	Poland	Zloty (O)	95.49
Angola	Kwanza	30.214	Guinea Bissau	Peso	41.3692	Portugal	Escudo	126.75
Antigua	E. Caribbean $	2.75	Guinea Rep.	Syli	23.2806	Port Timor	Escudo	n.a.
			Guyana	Dollar	6.016	Puerto Rico	U.S. $	1.00

INTERNATIONAL CAPITAL MARKETS

Nippon Credit Bank in $100m issue

By Mary Ann Sieghart in London

THE NIPPON Credit Bank yesterday followed up Industrial Bank of Japan's successful Eurodollar bond issue earlier this week with a deal on similar terms.

The life of the $100m bond, at seven years, is a year shorter and this allowed lead managers Morgan Stanley, Salomon Brothers and Nippon Credit International to price it ¼ point higher at par. The coupon is 11⅞ per cent, which for an interest rate swap, appeared to the market to be fair. The bond traded within its selling concession at a discount of 1⅛ point.

PKbanken's issue, reported yesterday, was not an enormous success. Stripped of their warrants, the bonds traded at a 2 point discount and the performance of the warrants did not compensate members of the selling group for the potential loss on the bond. The warrants traded around their issue price of $18.

The dollar secondary market saw a bit more activity yesterday and prices rose by around ⅛ point.

The recently revived sterling floating rate note market had another fillip yesterday with the launch of an extremely successful issue from Bank of Tokyo. Led by S. G. Warburg, the £30m bond immediately traded at a tiny discount from par, rare for a floater. It has a seven-year life and pays ⅛ point over the three-month domestic London interbank offered rate at a price of par. The life is retractable to five years at the investor's option.

"People are mad keen to get their hands on Japanese floating paper and the fact that it's in sterling gives it an added spice," explained one new issue manager. This is the first floating rate note from a Japanese bank for 18 months; the banks have been issuing fixed-rate paper instead and swapping it for floating rate debt.

Elsewhere in the sterling market, S. G. Warburg announced yesterday that its bulldog issue for Australia had been more than four times oversubscribed.

The European Investment Bank is raising Fl 250m in the Euroguilder market with a ten-year bond carrying an 8⅛ per cent coupon. Lead managers Amro Bank and ABN will price the deal next Wednesday.

Ireland is raising SwFr 80m-100m through a ten-year public issue led by Paribas (Suisse). The bond has an indicated coupon of just under 6½ per cent but will be finally priced on Tuesday.

Prices in Germany and Switzerland closed unchanged.

World Bank to raise SwFr 100m

WASHINGTON – The World Bank said it is borrowing SwFr 100m, through an offering of a 6 per cent 12-year bond in Switzerland which will be listed on the stock exchanges of several cities.

The international agency said the bonds, priced at 99.5 per cent of par to yield investors 6.06 per cent annually, will be its 43rd public issue in Switzerland.

The offering, which will close next Monday, is underwritten by a syndicate of Swiss banks and a group of foreign banks domiciled in Switzerland. The underwriting group is headed by Swiss Bank Corp., with two other major Swiss banks as co-managers.

The proceeds of the World Bank borrowing will be used for loans to developing nations.

AP

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 20.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¾ 90	100	94⅝	95⅛	+0⅝	+0⅞	11.36
Bank of Tokyo 11 90	100	96	96½	+0⅛	+0⅛	11.83
British Col Hyd 10¾ 88	200	97⅜	97⅞	0	+0⅝	10.92
Britoil Fin 11⅞ 00	125	100	100½	+0⅛	+0⅛	11.82
C.C.C.E. 11¾ 97	100	94⅝	95⅛	0	+0⅝	12.53
C.C.C.E. 12⅛ 95	75	99⅝	100⅛	+0⅛	+0⅛	12.44
Can Imp Bk Com 11 90	75	93	94	0	+0½	12.41
Citicorp O/S 10¾ 90	100	93½	93⅞	+0½	+0½	11.85
Citicorp O/S 11¾ 90	100	97⅜	98⅛	0	+0⅛	12.15
Coca Cola Int 8¾ 92	100	91⅝	92⅛	0	-0⅛	11.37
Cred Suisse BAH 10½ 90	150†	97½	98	+0⅛	+0⅛	10.96
Den Norsk Cred 11¼ 93	50	93⅞	94⅝	+0⅛	+0⅛	12.38
Du Pont 11¼ 95	150	99⅝	99⅞	0	+0½	11.29
E.C.S.C. 11⅜ 90	75	99⅞	100⅜	+0⅛	+0½	11.82
E.D.C. 11¾ 87	100	100⅝	101⅛	+0⅛	+0⅛	11.42
E.D.F. 11⅛ 93	100	93⅞	93⅞	+0⅛	+0⅛	12.27
E.E.C. 11 87	350	98⅝	99⅛	0	+0½	11.35
E.I.B. 10¾ 93	200	93	93½	+0⅛	+0⅛	11.44
E.I.B. 11 91	125	95⅝	96⅛	+0⅛	+0⅛	11.84
E.I.B. 11⅞ 93	150	98⅞	98⅞	+0⅛	+0⅛	12.12
Electrolux 10½ 90	50	91⅞	92⅜	+0⅛	+0⅛	12.27
Ensearch Fin 11⅝ 93	100	96½	97	0	+0⅛	12.18
Fuji Int Fin 10¾ 88	100†	94½	95	-0⅛	+0⅛	12.84
Gen Elec Credit 9¾ 91	100	91⅝	92⅛	+0⅛	+0⅛	11.36
GMAC O/S Fin 10½ 90	200	97⅛	97⅝	0	+0⅛	11.08
GMAC O/S Fin 11¾ 90	100	98⅝	98⅞	+0⅛	+0⅛	11.67
Honeywell Int 10¾ 90	100	97⅜	98⅜	0	+0⅛	11.17
Indust Bk Japan 10⅞ 88	100	97⅜	97⅞	0	+0⅛	11.84
Japan Air Lines 10⅞ 88	42	92⅝	93⅛	+0⅛	+0⅛	11.85
Japan Air Lines 11 93	75	95⅝	96⅛	0	+0⅛	11.71
J.C. Penny 11⅞ 90	100	99⅛	99⅝	+0⅛	+0⅛	11.98
J. P. Morgan 11⅜ 90 WW	150	99⅛	99⅝	+0⅛	0	11.89
Levi Strauss Int 11 90	75	97⅛	97⅝	+0⅛	+0⅛	11.53
L.T.C.B. 10¾ 90	100	94½	94⅞	+0⅛	+0⅛	12.80
L.T.C.B. 12½ 90	95	102⅝	103⅛	-0⅛	0	11.83
Merrill Lynch 10⅞ 90	200	94⅞	95⅜	-0⅛	-0⅛	11.78
Mitsubishi Corp 10½ 90	100	94⅝	95⅛	0	+0½	11.83
Mitsubishi Fin 11¾ 90	100	98⅝	98⅞	-0⅛	-0⅛	12.11
Nippon Credit 11 90	100	95½	95⅞	0	+0⅛	12.02
O.K.B. 10 91	100	91½	91⅞	+0⅛	+0½	11.77
Ontario Hydro 10¼ 90	250	94⅝	94⅝	+0⅛	+0⅛	11.48
Ontario Hydro 11¼ 89	200	100½	101	+0½	+0⅛	11.05
Pacific Gas & Elec 12 91	75	101⅞	102⅜	+0⅛	+0⅛	11.58
Prudential O/S 10⅞ 93	100	98⅝	98⅞	0	+0⅛	11.24
Prudential O/S 12¾ 87	150	104⅛	104⅝	+0⅛	+0½	11.28
Saskatchewan Pr 10¾ 90	125	96⅝	96⅞	+0⅛	+0⅛	11.49
Sears O/S Fin 11⅛ 93	150	98⅝	98⅞	+0⅛	+0⅛	11.87
S.N.C.F. 11½ 93	100	97	97½	+0⅛	+0⅛	11.97
Sth Cal Edison 10½ 90	75	96⅞	97⅜	0	+0⅛	11.11
Sumitomo Fin 10⅞ 90	100	94⅝	95⅛	0	+0½	11.98
Tenneco Capital 9¾ 90	150	93½	94	+0½	-0½	11.15
U.B.S. 10 88	100	99⅝	99⅞	0	+1	10.28
U.B.S. 11 89	150	101⅞	102⅜	+0⅛	+0½	10.50
World Bank 10⅞ 88	150	96⅝	97⅛	+0⅛	+0⅛	11.22
World Bank 11¼ 88	100	99⅝	100⅛	+0⅛	+0⅛	11.28
World Bank 11½ 90	150	98⅝	99⅛	+0⅛	+0⅛	11.73
World Bank 12 93	200	100⅛	100⅝	0	+0⅛	11.82

Av. price changes: on day +⅛, on week +⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	101⅛	101⅝	0	0	7.10
A.N.A.S. 8¼ 88	100	98⅛	99⅛	+0⅛	+0⅛	8.48
Arab Banking Corp 8 88	100	97⅛	97⅝	0	+0⅛	8.84
Austria, Rep 7⅞ 89	100	99½	100	0	-0⅛	7.67
Austria, Rep 8 93	100	101⅝	102⅛	0	0	7.73
Avon Int Fin 7½ 93	100	100⅝	100⅞	0	+0½	7.40
Beatrice Foods 7¾ 93	130	103⅝	104⅛	+0⅛	+0⅛	7.21
B.F.C.E. 8¼ 90	150	101⅝	101⅞	+0⅛	0	7.92
Comp Tel Nac Esp 8¼ 93	100	96⅞	97⅜	+0⅛	0	8.67
Dresdner Finance 4 90 WW	250	106⅞	107½	+0⅞	+1⅛	2.81
Dresdner Finance 4 90 XW	250	83⅝	84⅛	-0⅛	-0⅛	7.11
E.C.S.C. 8 90	100	101⅛	101⅝	0	0	7.57
E.E.C. 8¼ 93	250	101⅝	102⅛	+0⅛	0	7.97
E.I.B. 8 93	200	99½	99⅞	0	+0⅛	8.06
Eurofima 7½ 90	100	100⅛	100⅞	+0⅛	+0⅛	7.38
Finland Rep 7½ 88	150	99⅛	99⅝	0	0	7.68
Int Standard Ele 7¾ 93	100	101½	101⅞	+0⅛	+0⅛	7.54
Ireland 8⅞ 91	150	100⅝	100⅞	+0⅛	+0⅛	8.53
Japan Dev Bank 7½ 90	100	101	101⅜	-0⅛	-0⅛	7.22
Kobe City 7 93	120	96⅝	97⅛	0	+0½	7.42
L.T.C.B. 8 90	100	102⅝	102⅞	0	0	7.48
Renault Acceptance 8 88	150	98⅛	98⅝	-0½	+0⅛	8.29
S.D.R. France 7⅞ 93	100	97⅛	97⅝	0	+0⅛	8.27
Sth African Tran 8¼ 90	100	99	99½	-0⅛	0	8.38
World Bank 7½ 90	250	97⅞	98⅜	0	0	7.86
World Bank 7¾ 88	300	99⅝	100⅛	-0⅛	0	7.84

Av. price changes: on day +⅛, on week +⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅞ 93	100†	98½	98¾	-0⅛	-0½	5.81
Bank of Tokyo 6 91	100	102⅛	102⅝	+0⅛	0	5.59
Bergen, City of 5¾ 95	40	98	98½	0	0	5.86
Carls-Tuborg Brw 5¾ 93	60	101½	101¾	0	0	5.52
Denmark 6⅞ 91	100	101	101¼	-1	-1	6.10
E.D.C. 5⅞ 91	100	100¼	100½	+0¼	+0¼	5.31
E.I.B. 5⅝ 93	100	98⅛	98⅝	-0⅛	-0⅛	5.97
Ex-Im Bk Japan 5⅝ 91	100	99½	99¾	0	0	5.68
Ind Fund Finland 6¼ 91	40	101	101¼	+0⅛	0	6.06
Int-Am Dev Bk 6¼ 93	100	100⅛	100⅝	+0½	+0½	6.05
Japan Dev Bank 5½ 93	100	98	98¼	-0½	-1	5.76
Japan Dev Bank 5⅞ 93	100	101	101¼	-0¼	0	5.72
Kansai Elec Power 6 91	100	101½	101¾	0	-1¼	5.73
Kawasaki Steel 6¼ 91	100	100⅝	100⅞	-0⅛	-1⅛	6.08
Montreal Urban 5¾ 93	100	101	101¼	0	-0½	5.58
Mount Isa Finance 6 93	100	102	102¼	0	0	5.71
Nisshin Steel 6¼ 91	100	100	100¼	0	0	6.22
Osterr Donaukraft 6 93	100	102⅛	102⅝	+0⅛	-0⅛	5.65
Osterr Post 6¼ 91	100	102½	102¾	0	-0¼	5.69
Quebec Hydro 5½ 93	100	100½	100¾	-0½	-0½	5.41
Sekisui House 6 93	100	101	101¼	+1	+0⅛	5.84
Sumitomo Heavy Ind 6 91	100	99½	99¾	-0⅛	0	6.06
Sumitomo Metal Ind 6 91	100	100½	100¾	+0½	-0½	5.88
Tokyo Elec Power 5⅞ 91	100	100⅝	101	0	+0⅛	5.73
Trizec Corp 6¼ 91	100	101	101¼	-0⅛	-0½	6.05
World Bank 5⅝ 93	100	98½	98¾	0	-0⅛	5.81

Av. price changes: on day 0, on week -⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅞ 92	15					
E.I.B. 8⅛ 92	15	102⅝	103⅛	0	0	7.77
Japan Airlines 7⅞ 87	15	101⅝	102⅛	0	0	7.87
New Zealand 7⅞ 89	15	102	102½	0	-0⅛	7.14
World Bank 8⅛ 92	20	102⅛	102⅝	0	0	7.72

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¾ 90 C$	75†	98⅝	99⅛	0	+0⅛	12.49
Noranda 12¾ 93 C$	50†	98⅝	99⅛	0	-0⅛	12.92
TD MTG Corp 12½ 88 C$	40†	100⅝	101⅛	0	+0⅛	12.23
Quebec Hydro 12¾ 87 C$	50†	100⅛	100⅝	+0⅛	+0⅛	12.45
Royal Trustco 12¾ 88 C$	50†	98⅝	100⅛	0	+0⅛	12.51
World Bank 12¼ 90 C$	75†	98⅝	100⅛	+0⅛	+0⅛	12.35
Xerox Canada 12 88 C$	40†	102⅛	102⅝	0	+0⅛	11.38
E.E.C. 11¾ 93 ECU	70	100⅛	101⅛	+0⅛	+0⅛	11.37
Genfinance 11 90 ECU	60	98⅝	99⅛	0	-0⅛	11.21
Algemene Bank 8¾ 88 Fl	150	100⅝	101½	0	+0⅛	8.51
Bank Mees & Hope 9 88 Fl	75	101½	102⅛	0	+0⅛	8.56
[illegible] 8¾ 88 Fl	75	97⅛	98⅛	+0⅛	+0⅛	9.26
P.H.P. 8¾ 88 Fl	50	100⅝	101⅛	+0⅛	+0⅛	8.57
Swed Exp Cred 7¾ 88 Fl	100	96	96½	+0⅛	+0⅛	8.78
World Bank 9 88 Fl	100	102⅛	102⅝	+0⅛	+0⅛	8.28
O.K.B. 14 86 FF	400	100⅝	101⅛	0	0	13.33
Solvay & Co 14¾ 88 FF	200	101⅛	102⅛	0	-0⅛	13.84
B.F.C.E. 11½ 88 £	50	98	98⅝	0	+0⅛	11.93
British Oxyg 11¼ 91 £	50	100⅛	100⅝	0	+0⅛	11.82
CEPME 11¼ 88 £	35†	98⅝	99⅛	-0⅛	+0⅛	11.35
E.E.C. 11¾ 91 £	60	98⅞	100⅛	+0⅛	+0⅛	11.75
E.E.C. 11⅞ 93 £	50	100½	100⅞	+0⅛	+0⅛	11.81
Fin For Ind 10½ 90 £	20	94⅝	95⅛	0	+0⅛	11.71
Finland Rep 11¾ 88 £	50	99⅝	100	0	+0⅛	11.90
Fin Nat Ovart 12⅞ 92 £	30	101⅞	102⅜	-0⅛	+0⅛	12.28
Gen Elec Co 12½ 89 £	50	102⅝	103⅛	-0⅛	+0⅛	11.84
I.I.I. 10¾ 93 £	25	93⅛	94	+0⅛	+0⅛	11.87
Mort Bk Fin 11¼ 89 £	10	97	98	0	+0⅛	12.38
Norsk Hydro 12 88 £	30	101⅛	102⅛	-0⅛	-0⅛	11.38
Sweden 11¼ 93 £	50	96⅝	97⅛	+0½	+0⅛	11.83
Swed Exp Cred 11¼ 88 £	30	97½	98⅛	0	+0⅛	12.03
World Bank 11¼ 88 £	100	97⅛	98½	0	0	11.65
World Bank 11⅞ 91 £	75	99⅝	100⅛	+0⅛	+0⅛	11.32
Euratom 11 93 LuxFr	500	101⅞	102⅜	+0⅛	+0⅛	10.67
Europeant 10¾ 93 LuxFr	600	102⅛	102⅝	0	0	10.22

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0¼	99⅝	100	27/1	10⅝	10.69
B.F.C.E. 5¼ 88	0⅛	99⅝	99⅞	28/1	10.44	10.28
Caisse Nat Tele 5¼ 98	0⅛	99⅝	99⅞	21/10	9.88	9.61
C.C.F. 5¼ 98	0¼	99⅝	99⅞	7/4	9.85	9.98
C.C.F. 5¼ 88	0⅛	99⅞	100⅛	24/3	10.19	10.19
Cepme 5¼ 98 WW	0⅛	99⅝	100⅛	3/12	10.56	10.57
Cepme 5¼ 92	0⅛	99⅝	100	10/12	10⅝	10.51
Chemical NY 5¼ 94 ††	0⅛	100⅛	100⅝	22/12	10	9.93
C.N.C.A. 5¼ 95 XW	0⅛	99⅝	99⅞	7/12	10	10.04
C.O.I. 5¼ 91	0¼	99⅝	99⅞	6/11	9⅛	9.22
Credit Agricole 5¼ 97	0⅛	99½	99⅞	24/3	10.31	10.38
Credit Lyonnais 5¼ 94	0¼	99½	99⅞	5/1	10.31	10.36
Credit Lyonnais 5¼ 97	0⅛	99½	99⅞	1/4	10	10.04
Credit Nat 5¼ 94	0¼	99⅝	99⅞	9/3	10⅝	10.78
E.D.F. 5¼ 95 XW	0⅛	99⅝	100⅛	10/2	11⅛	11.38
E.E.C. 5 90	0⅛	99⅝	100⅛	5/1	10.19	10.19
Kansallis Osake 0⅛ 92	0⅛	100⅛	100½	8/11	9⅛	9.08
Long Term Cred 5¼ 92	0¼	100	100⅛	27/11	9⅞	9.74
J.P. Morgan 5¼ 97 $	0⅛	100⅝	101	12/11	10.81	10.72
New Zealand 0¼ 87	0⅛	100½	100⅞	7/4	9⅛	9.85
NZ Steel Dev 5¼ 92	0¼	100	100⅛	22/12	10⅝	10.22
Nippon Credit 5¼ 90	0⅛	100½	101	10/2	11⅛	11.12
Soc Generale 5¼ 90 XW	0⅛	99⅛	99½	9/11	9⅛	9.18
Societe Generale 0¼ 95	0⅛	99⅝	100	1/3	10.31	10.32
Sweden 5¼ 89	0¼	100⅛	100⅝	20/2	10.19	10.16
Sweden 5¼ 93	0¼	100⅝	100⅝	3/2	11.19	11.13

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	114⅛	115	+1⅛	3.39
Canon 7 97	7/82	748.2	206½	208½	+6	12.12
Daiwa Sec Co 5½ 98	10/83	686	96⅛	97⅝	+0⅝	2.22
Hitachi Cable 5¼ 96	2/82	515	107⅝	108⅝	+1⅛	4.81
Honda Motor 5¼ 98	8/82	804	117⅛	118⅝	+1⅛	3.00
Honda Motor 5½ 97	3/83	799.8	129⅝	130⅝	+1⅛	1.82
Kumagai Gumi 6½ 97	10/82	488	142½	144⅛	+3½	3.06
Kyowa Hakko 5¼ 97	2/83	782	120	121½	+0⅛	4.31
Minebea Co Ltd. 5½ 98	5/83	667	114⅝	115⅝	+3	9.78
Mitsubishi Electric 5¼ 98	6/83	396	110⅝	111⅝	+1⅛	5.13
Nippon Electric 6¼ 97	2/82	785.9	162⅛	164½	+1⅛	4.02
Nippon Oil Co 5½ 98	4/83	964	121½	122½	+1⅛	-0.60
Nissan Motor 5¼ 98	4/83	770	100½	101⅛	+0⅛	8.00
Olympus Optical 6¼ 97	12/82	1331	181⅝	182⅝	+1½	5.27
Orient Finance 5¼ 97	3/82	827.2	92⅝	93⅝	+2	5.08
Orient Leasing 5¼ 98	8/83	2800	94⅝	96⅝	-0⅛	6.43
Secom 5 98	11/83	2020	118⅛	120⅛	+2⅛	2.87
Sumitomo Electric 5½ 97	3/82	572.3	113⅝	114⅝	+0⅛	8.74
Yamaichi Sec Co 5 98	8/83	472	96⅝	97⅛	+0⅛	2.32
Yamanouchi Pharm'cal 4 98	10/83	1000	94½	96½	-0⅛	4.18
NEC Corp 3½ 93 SF	8/83	978	134	136	+6	2.88
Sanyo Paper 3¾ 93 SF	9/83	716	101⅛	103⅛	0	12.75
Asics 5 92 DM	12/83	520	106½	107⅝	-0⅛	13.82
Konishiroku 6¼ 88 DM	6/82	819	118⅛	119⅛	+0⅛	0.90
Sowa Realty 0¼ 92 DM	2/83	385	122⅛	123⅛	+1⅛	-2.31

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.